

---

**Award  
NASD**

---

In the Matter of the Arbitration Between:

Name of the Claimant  
First Union Securities, Inc.

Case Number: 01-03222

Name of the Respondent  
Chris V. Suarez

Hearing Site: Boca Raton, Florida

---

**REPRESENTATION OF PARTIES**

For First Union Securities, Inc. ("First Union"), hereinafter referred to as "Claimant": John E. MacDonald, Stark & Stark, P.A., Lawrenceville, New Jersey.

For Chris V. Suarez ("Suarez"), hereinafter referred to as "Respondent": Arthur C. Koski, Esq., Law Offices of Arthur C. Koski, P.A., Boca Raton, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: June 18, 2001

Claimant signed the Uniform Submission Agreement: June 14, 2001

Statement of Answer filed by Respondent on or about: August 20, 2001

Respondent signed the Uniform Submission Agreement: July 17, 2001

Respondent filed a Motion to Dismiss Arbitration Proceeding on or about: July 8, 2002.

Claimant responded to the issue set forth in Respondent's Motion to Dismiss on or about: July 15, 2002.

**CASE SUMMARY**

Claimant commenced this arbitration to recover a "transitional loan" of \$215,000.00 provided to Respondent in connection with his employment as a registered representative with Claimant. In consideration for the loan, Respondent executed a Promissory Note (the "Note"). Pursuant to the terms of the Note, Respondent agreed that if he voluntarily resigned his position, "the full amount of any unpaid and unforgiven balance shall become due and payable immediately ... plus accrued interest." Respondent resigned, with the principal sum of \$215,000.00 remaining due and owing.

Respondent defended on the ground that Claimant could not claim any relief "because First Union has not complied with Florida law in the enforcement" of the documents on which the claims in arbitration were brought.

### **RELIEF REQUESTED**

Claimant sought recovery of the principal amount of the Note (\$215,000.00), interest, attorney's fees, and NASD fees. In addition, Claimant sought recovery of approximately \$10,000.00 for expenses incurred in setting up Respondent's computer and in training Respondent.

Respondent requested dismissal of Claimant's claims and sought recovery of his costs in this proceeding.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

The Panel denies Respondent's Motion to Dismiss which was filed on July 8, 2002.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Panel has decided in full and complete resolution of the issues submitted for determination as follows:

Respondent is liable and shall pay to Claimant the sum of Two Hundred Twenty-One Thousand Six Hundred Twenty-Eight Dollars and Eighteen Cents (\$221,628.18), which includes interest on the Note, at the applicable rate, through July 3, 2002. Additional interest on this Award shall accrue from July 4, 2002 until the date of payment of this Award, at the annual rate of nine percent (9%), equivalent to .0002466 per day (\$54.648 per day). Damages are awarded based upon Respondent's failure to repay the Promissory Note.

Under the express terms of the Note, Claimant is entitled to recover, and Respondent shall be liable to pay, Claimant's reasonable attorney's fees incurred in collecting the indebtedness due under the Note. The amount of such reasonable attorney's fees shall be determined by a court of competent jurisdiction in accordance with applicable law.

NASD Dispute Resolution, Inc.  
Arbitration No. 01-03222  
Award Page 3

Respondent is liable and shall pay to Claimant the sum of \$1,000.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD.

All other requests for relief not specifically addressed herein are denied.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

#### **Filing Fees**

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$1,000.00
--------------------------	--------------

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, First Union Securities, Inc. is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

April 23, 2002, hearing date, Claimant's adjournment request granted by the Panel. The Panel waived the adjournment fee.

#### **Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred during these proceedings.

#### **Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: January 8, 2002	1 session

One (1) Hearing session @ \$1,125.00	= \$1,125.00
Hearing Date: April 24, 2002	1 session
Total Forum Fees	= \$2,250.00

The Panel has assessed the total forum fees of \$2,250.00 to Respondent.

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

**Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$4,600.00
Total Fees	= \$5,600.00
Less payments	= \$5,600.00
Balance Due NASD	= \$ 0.00

2. Respondent is solely liable for:

Forum Fees	= \$2,250.00
Total Fees	= \$2,250.00
Less payments	= \$ 0.00
Balance Due NASD	= \$2,250.00

All balances are payable to NASD and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Brian F. Spector	-	Non-public arbitrator, Presiding Chairperson
Jerome C. Kelter	-	Non-public arbitrator
David M. Levine	-	Non-public arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
/s/  
Brian F. Spector  
Non-Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
/s/  
Jerome C. Kelter  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
/s/  
David M. Levin  
Non-Public Arbitrator

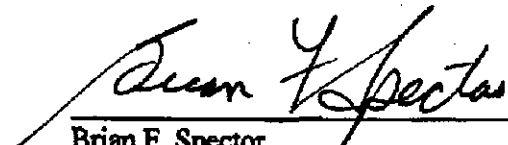
\_\_\_\_\_  
Signature Date

August 2, 2002  
Date of Service  
(For NASD office use only)

NASD Dispute Resolution, Inc.  
Arbitration No. 01-03222  
Award Page 5

**RECEIVED**  
JUL 26 2002  
**FL ARBITRATION**

Concurring Arbitrators' Signatures

  
\_\_\_\_\_  
Brian F. Spector  
Non-Public Arbitrator, Presiding Chairperson

7/25/02  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Jerome C. Kelter  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
David M. Levin  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date


Date of Service  
(For NASD office use only)


NASD Dispute Resolution, Inc.  
Arbitration No. 01-03222  
Award Page 5

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Brian F. Spector  
Non-Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Jerome C. Kelter  
Non-Public Arbitrator

  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
David M. Levin  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

Date of Service  
(For NASD office use only)

NASD Dispute Resolution, Inc.  
Arbitration No. 01-03222  
Award Page 5

**Concurring Arbitrators' Signatures**

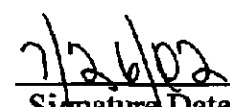
\_\_\_\_\_  
Brian F. Spector  
Non-Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Jerome C. Kelter  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
David M. Levin  
Non-Public Arbitrator

  
\_\_\_\_\_  
Signature Date

Date of Service  
(For NASD office use only)