

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

UBS PaineWebber, Inc. (Claimant) v. John Santaniello (Respondent)

Case Number: 02-05716

Hearing Site: New York, New York

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

Claimant UBS PaineWebber, Inc. ("PaineWebber") hereinafter referred to as "Claimant":
Laura Martin, Esq. and David Becker, Esq., Davidson, Manchel & Brennan, LLP,
Northvale, NJ. Previously represented by: Romaine L. Gardner, Esq., Staten Island, NY.

Respondent John Santaniello ("Santaniello") hereinafter referred to as "Respondent":
Jeffrey Klarsfeld, Esq., Platte, Klarsfeld, Levine & Lachtman, LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: September 24, 2002.

Claimant's Reply to Respondent's Answer and Counterclaim filed on or about: March 21, 2003.

Claimant signed the Uniform Submission Agreement: September 11, 2002.

Statement of Answer and Counterclaim filed by Respondent on or about: March 7, 2003.
Respondent did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: failure to repay money in accordance with the terms of an employee forgivable loan. Unless specifically admitted in its Reply to the Answer and Counterclaim, Claimant denied the allegations made in the Counterclaim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim. In his Counterclaim, Respondent asserted the following cause of action: lost opportunity.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$114,590.36, plus interest from December 21, 2001 through payment of the award; costs, fees and disbursements,

including attorneys' fees; and such other and further relief as the Arbitration Panel may deem just and equitable. In its Reply to the Answer and Counterclaim, Claimant requested that Respondent's Counterclaim be dismissed in its entirety and that an award be entered in its favor against Respondent as set forth in the Statement of Claim.

In his Answer and Counterclaim, Respondent stated he should not be liable for repayment pursuant to the promissory note and/or his damages exceed the amounts claimed by Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

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.

AWARD

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

1. Respondent is liable for and shall pay to Claimant compensatory damages in the amount of \$114,590.36, plus interest in the amount of \$15,646.43 from January 2002 through December 2003.
2. Respondent is liable for and shall pay to Claimant attorneys' fees in the amount of \$20,991.31 pursuant to the terms of the Promissory Note.
3. The Counterclaims of Respondent are hereby denied in their entirety.
4. Any and all relief not specifically addressed herein is denied.

FEEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$1,000.00
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Counterclaim filing fee = \$ 250.00

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, UBS PaineWebber, Inc. is a party.

Member surcharge = \$1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$2,750.00

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: September 8, 2003 1 session

Three (3) Hearing sessions @ \$1,125.00 = \$3,375.00

Hearing Dates: January 13, 2004 2 sessions

January 14, 2004 1 session

Total Forum Fees = \$4,500.00

1. The Panel has assessed \$2,250.00 of the forum fees against Claimant.
2. The Panel has assessed \$2,250.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$1,000.00
Member Fees = \$5,200.00
Forum Fees = \$2,250.00

Total Fees = \$8,450.00
Less payments = \$7,325.00
Balance Due NASD Dispute Resolution = \$1,125.00

2. Respondent is solely liable for:

Counterclaim Filing Fee = \$ 250.00
Forum Fees = \$2,250.00

Total Fees = \$2,500.00
Less payments = \$ 0.00
Balance Due NASD Dispute Resolution = \$2,500.00


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

ARBITRATION PANEL

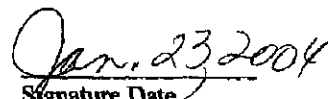
Doris C. Lindbergh, Esq.	-	Non-Public Arbitrator, Presiding Chair
Mark H. Mantell	-	Non-Public Arbitrator
Marco Vega	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.



Doris C. Lindbergh, Esq.
Non-Public Arbitrator, Presiding Chairperson



Signature Date

Mark H. Mantell
Non-Public Arbitrator

Signature Date

Marco Vega
Non-Public Arbitrator

Signature Date

January 30, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

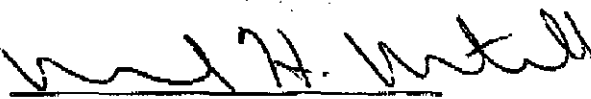
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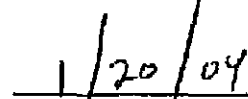
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