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**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
UBS PaineWebber, Inc.

Case Number: 03-01985

Name of the Respondent  
Kerry Constantine Geaneas

Hearing Site: Orlando, Florida

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Nature of the Dispute: Member Firm vs. Associated Person.

**REPRESENTATION OF PARTIES**

For UBS PaineWebber, Inc., hereinafter referred to as "Claimant": Deborah H. Gottlieb, Esq., Davidson & Grannum, L.L.P., Northvale, New Jersey.

For Kerry Constantine Geaneas, hereinafter referred to as "Respondent": Marc S. Dobin, Esq., Dobin & Jenks, L.L.P., Jupiter, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: March 19, 2003.

Claimant signed the Uniform Submission Agreement: March 17, 2003.

Statement of Answer filed by Respondent on or about May 23, 2003.

Respondent signed the Uniform Submission Agreement: May 19, 2003.

**CASE SUMMARY**

Claimant asserted a cause of action which alleged that Respondent breached the terms of the promissory note by which he received an employee forgivable loan. The cause of action relates to Respondent's termination of employment with Claimant.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

**RELIEF REQUESTED**

Claimant requested money damages in the amount of \$255,094.53, plus interest thereon from December 10, 2002 through payment of the Award, all costs, fees, and disbursements of this action, including attorneys' fees, and such other and further relief as the Arbitration Panel (the "Panel") deemed just and equitable.

Respondent requested entry of an award denying all relief to Claimant, and awarding him his costs of defense under Florida Statute 57.105(b).

**OTHER ISSUES CONSIDERED AND DECIDED**

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

**AWARD**

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

Respondent is liable and shall pay to Claimant compensatory damages in the sum of \$230,040.25 representing repayment of the remaining portion due under the promissory note. Said sum shall be paid to Claimant in five equal installments of \$46,008.05 on an annual basis commencing April 27, 2005, with the final payment to be made April 27, 2009. Interest shall accrue on any unsatisfied portion of each \$46,008.05 installment payment at the Florida statutory rate until such payment and interest thereon is paid in full to Claimant or its assigns.

Any and all requests for relief not specifically addressed herein, including the parties' requests for attorneys' fees, are denied.

**FEES**

Pursuant to the NASD Code of Arbitration Procedure (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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**Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, UBS is a member firm and a party.

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

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were granted during these proceedings for which fees were assessed.

**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 assessed during these proceedings.

**Forum Fees and Assessments**

The Panel assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four hours or less.

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00 = \$ 900.00

Pre-hearing conferences:     March 9, 2004             1 session  
  March 17, 2004             1 session

One (1) Pre-hearing session with the Panel @ \$1,125.00 = \$1,125.00

Pre-hearing conference:     October 30, 2003             1 session

Four (4) Hearing sessions with the Panel @ \$1,125.00 = \$4,500.00

Hearing dates:             April 26, 2004             2 sessions  
  April 27, 2004             2 sessions

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Total Forum Fees = \$6,525.00

The Panel has assessed \$3,262.50 of the forum fees to Claimant.

The Panel has assessed \$3,262.50 of the forum fees to Respondent.

**Administrative Costs**

Administrative costs are incurred due to a request by a party for special services beyond the normal administrative services. These include, but are 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 this proceeding.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee = \$1,000.00

Member Fees = \$5,200.00

Forum Fees = \$3,262.50

Total Fees = \$9,462.50

Less Payments = \$7,325.00

Balance Due NASD Dispute Resolution = \$2,137.50

Respondent is solely liable for:

<u>Forum Fees</u>	= \$3,262.50
<u>Total Fees</u>	= \$3,262.50
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$3,262.50

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

**ARBITRATION PANEL**

Alison Hardage	-	Non-Public Arbitrator, Presiding Chairperson
P. Davis Isenberg	-	Non-Public Arbitrator
Paul Lilling	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/  
Alison Hardage  
Non-Public Arbitrator, Presiding Chairperson

                      
Signature Date

/s/  
P. David Isenberg  
Non-Public Arbitrator

                      
Signature Date

/s/  
Paul Lilling  
Non-Public Arbitrator

                      
Signature Date

May 10, 2004  
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution  
Arbitration No. 03-01985  
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Respondent is solely liable for:

<u>Forum Fees</u>	= \$3,262.50
<u>Total Fees</u>	= \$3,262.50
<u>Less Payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$3,262.50

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P. Davis Isenberg	-	Non-Public Arbitrator
Paul Lilling	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**



Alison Hardage  
Non-Public Arbitrator, Presiding Chairperson

5-7-04

Signature Date

\_\_\_\_\_  
P. David Isenberg  
Non-Public Arbitrator

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

\_\_\_\_\_  
Paul Lilling  
Non-Public Arbitrator

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**NASD Dispute Resolution**

Arbitration No. 03-01985

**Award Page 4 of 4**

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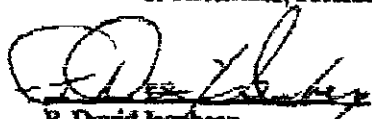
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P. Davis Isenberg	- Non-Public Arbitrator
Paul Lilling	- Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

Alison Hardage  
Non-Public Arbitrator, Presiding Chairperson

Signature Date

  
P. David Isenberg  
Non-Public Arbitrator

5/10/04  
Signature Date

Paul Lilling  
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution  
 Arbitration No. 03-01985  
Award Page 4 of 4

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P. Davis Isenberg	-	Non-Public Arbitrator
Paul Lilling	-	Non-Public Arbitrator

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 Non-Public Arbitrator, Presiding Chairperson

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

\_\_\_\_\_  
 P. David Isenberg  
 Non-Public Arbitrator

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

Paul Lilling  
 Paul Lilling  
 Non-Public Arbitrator

MAY 6, 2004  
 Signature Date

\_\_\_\_\_  
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