

**AWARD**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Name of Claimant

UBS Financial Services, Inc.

and

Case Number: 04-00190  
Hearing Site: Houston, Texas

Name of Respondent

Martin E. Guillory, Jr.

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**NATURE OF DISPUTE**

Member Firm v. Associated Person

**REPRESENTATION OF PARTIES**

UBS Financial Services, Inc. ("**Claimant**" or "**UBS Financial**") was represented by Laura A. Martin, Esq., of Davidson & Grannum, LLP, in Northvale, New Jersey.

Martin E. Guillory, Jr. ("**Respondent**" or "**Guillory**") of Missouri City, Texas, did not enter an appearance in this matter.

**CASE INFORMATION**

The Statement of Claim was filed on or about January 12, 2004.

The Submission Agreement of Claimant UBS Financial Services, Inc. was signed on or about December 1, 2003.

Respondent Guillory did not file either a Submission Agreement or a Statement of Answer.

**CASE SUMMARY**

Claimant alleged a failure to repay a promissory note. On or about November 10, 2000, UBS Financial Services, Inc. hired Guillory as a Financial Advisor in its Sugarland, Texas branch office. In connection with Guillory's hire, on or about December 8, 2000, UBS Financial advanced to Guillory, as a loan, the sum of \$64,233.00 and Guillory agreed that the loan would be forgiven in five equal installments of \$12,846.60. This loan was memorialized in a promissory note entitled, Promissory Note #23171 ("Note"). Note

#23171 provided that if Guillory's employment should terminate, whether voluntarily or involuntarily, no part of the unpaid Principal Amount shall be forgiven. Guillory resigned prior to the second forgiveness date of Note #23171. One of the five equal, annual installments of this loan, or \$12,846.80, was forgiven. According to the Claimant, the amount of the principal outstanding on Note #23171 on the date of Guillory's voluntary resignation from UBS Financial was \$51,386.40.

Note #23171 further provided that should Guillory default in the timely payment of any portion of the principal amount, Guillory is obligated to pay interest on any such outstanding amount. Also, Note #23171 provides that should UBS Financial be required to enforce any and all provisions, Guillory is obligated to pay any and all costs and expenses, including, without limitation, reasonable attorney's fees and disbursements incurred by UBS Financial.

Claimant also asserted a claim for indemnification for and/or contribution of the full amount of \$35,000 representing the cost to UBS of settling with Richard and Louise Don Speedy following their complaint against Guillory for mishandling their account.

#### **RELIEF REQUESTED**

Claimant requested an award in the amount of:

Actual/Compensatory	\$86,386.40
Interest	Unspecified
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

#### **OTHER ISSUES CONSIDERED & DECIDED**

By letter dated April 29, 2004, Claimant opted to proceed against Respondent Guillory pursuant to Rule 10314(e) of the NASD Code of Arbitration Procedure ("Code").

The arbitrator determined that Respondent Guillory was properly served notice of the Statement of Claim and Notification of the Arbitrator by certified mail, and that Respondent Guillory is required to submit to arbitration pursuant to the Code and is bound by the determination of the Arbitrator on all issues submitted.

### **AWARD**

The undersigned arbitrator has decided and determined in full and final resolution of the issues for determination as follows.

- 1.) Respondent, Martin E. Guillory, Jr., is liable for and shall pay to Claimant, UBS Financial Services, Inc., the sum of \$86,386.00 in compensatory damages;
- 2.) Respondent, Martin E. Guillory, Jr., is liable for and shall pay to Claimant, UBS Financial Services, Inc., interest at 6% on \$51,386.00 compensatory damages, pursuant to the terms of the Promissory Note dated December 8, 2000. The interest is to begin accruing on December 8, 2001, and to cease when paid in full or otherwise discharged;
- 3.) Respondent, Martin E. Guillory, Jr., is liable for and shall pay to Claimant, UBS Financial Services, Inc., interest at 6% on \$35,000 compensatory damages, pursuant to Texas law. The interest is to begin accruing on July 29, 2003, and to cease when paid in full or otherwise discharged;
- 4.) Respondent, Martin E. Guillory, Jr., is liable for and shall pay to Claimant, UBS Financial Services, Inc., the sum of \$4,033.00 in attorneys fees pursuant to the terms of the Promissory Note dated December 8, 2000;
- 5.) Respondent, Martin E. Guillory, Jr., is liable for and shall pay to Claimant, UBS Financial Services, Inc., the sum of \$3,550.00 in costs pursuant to the terms of the Promissory Note dated December 8, 2000; and
- 6.) Any relief not specifically enumerated, including punitive damages, is hereby denied with prejudice.

### **FEES**

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 = \$1000.00

#### **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. In this matter, the member firm is UBS Financial Services, Inc.

Member surcharge	= \$1100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1700.00

### **Forum Fees and Assessments**

The Arbitrator assesses a forum fee for an Award issued under the Default Proceedings. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$750.00	= \$750.00
Pre-hearing conference: May 10, 2004 1 session	

Default Proceedings	= \$300.00
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Total Forum Fees	= \$1050.00
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The Arbitration Panel has assessed \$1050.00 of the forum fees to Martin E. Guillory, Jr.

### **FEE SUMMARY**

Claimant, UBS Financial Services, Inc., is liable for:

Initial Filing Fee	= \$ 1000.00
Member Fees	= \$ 3550.00
Total Fees	= \$ 4550.00
Less payments	= \$ 5300.00
Refund Due from NASD Dispute Resolution	= \$ 750.00

Respondent, Martin E. Guillory, Jr., is liable for:

Forum Fees	= \$ 1050.00
Total Fees	= \$ 1050.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1050.00

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

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**ARBITRATOR**

Dolores Martin— Industry Arbitrator, Presiding Chair

Arbitrator:

/s/ Dolores Martin  
Dolores Martin  
Industry Arbitrator, Presiding Chair

June 2, 2004  
Signature Date

June 2, 2004  
Date of Service (For NASD office use only)

**ARBITRATOR**

Dolores Martin- Industry Arbitrator, Presiding Chair

Arbitrator:

Dolores Martin  
Dolores Martin  
Industry Arbitrator, Presiding Chair

6-2-04  
Signature Date

                      
Date of Service (For NASD office use only)