

**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: 04-01096  
Hearing Site: Houston, Texas

Name of Respondent

Thomas B. Sanchez, 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 Martin, Esq., of Davidson & Grannum, LLP, of Northvale, New Jersey.

Thomas B. Sanchez, Jr. ("**Respondent**" or "**Sanchez**") of Houston, Texas, did not enter an appearance in this matter.

**CASE INFORMATION**

The Statement of Claim was filed on or about February 20, 2004.

The Submission Agreement of Claimant UBS Financial Services, Inc. was signed on or about February 6, 2003.

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

**CASE SUMMARY**

Claimant alleges a failure to repay a promissory note. On or about August, 1998, UBS Financial Services, Inc. hired Sanchez as a Financial Advisor in the Houston/Heritage, Texas branch office. In connection with Sanchez's hire, on or about November 12, 2002, UBS Financial advanced to Sanchez as a loan the sum of \$86,310.00. This loan was memorialized in a promissory note entitled, Promissory Note #0591 ("the Note"). The Note

provides that if Sanchez's employment should terminate, whether voluntarily or involuntarily, no part of the unpaid Principal Amount shall be forgiven. Sanchez resigned prior to the third forgiveness date of the Note. According to the Claimant, the amount of the principal outstanding on the Note on the date of Sanchez's voluntary resignation from UBS Financial was \$39,244.87. The Note further provides that should Sanchez default in the timely payment of any portion of the principal amount, Sanchez is obligated to pay interest on any such outstanding amount. Also, the Note provides that should UBS Financial be required to enforce any and all provisions, Sanchez is obligated to pay any and all costs and expenses, including, without limitation, reasonable attorney's fees and disbursements incurred by UBS Financial.

### **RELIEF REQUESTED**

Claimant requested an award in the amount of:

Actual/Compensatory	\$39,244.87
Interest	Unspecified
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

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

By letter dated June 15, 2004, Claimant opted to proceed against Respondent Sanchez pursuant to Rule 10314(e) of the NASD Code of Arbitration Procedure ("Code").

The arbitrator determined that Respondent Sanchez was properly served notice of the Statement of Claim and Notification of the arbitrator by certified mail, and that Respondent Sanchez 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, Thomas B. Sanchez, Jr., is liable for and shall pay to Claimant, UBS Financial Services, Inc., the sum of \$39,244.87 in compensatory damages;

- 2.) Respondent, Thomas B. Sanchez, Jr., is liable for and shall pay to Claimant, UBS Financial Services, Inc., interest at the rate of 6.5% per annum from and including 8/1/2001 through and including 8/20/2004, pursuant to the terms of the Note;
- 3.) Respondent, Thomas B. Sanchez, Jr., is liable for and shall pay to Claimant, UBS Financial Services, Inc., the sum of \$4,832.65 in attorney's fees pursuant to the terms of the Note;
- 4.) Respondent, Thomas B. Sanchez, Jr., is liable for and shall pay to Claimant, UBS Financial Services, Inc., the sum of \$3,625.00 in costs pursuant to the terms of the Note; and
- 5.) 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
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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 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	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing Process Fee	= \$ 1,000.00

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

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

One (1) Pre-hearing session with the arbitrator x \$450.00 = \$450.00  
Pre-hearing conference: June 18, 2004 1 session

Default Proceedings = \$300.00

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Total Forum Fees = \$750.00

The arbitrator has assessed \$750.00 of the forum fees to Thomas B. Sanchez, Jr.

### **FEE SUMMARY**

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

Initial Filing Fee	= \$ 1000.00
Member Fees	= \$ 2625.00
Total Fees	= \$ 3625.00
Less payments	= \$ 4075.00
Refund Due from NASD Dispute Resolution	= \$ 450.00

Respondent, Thomas B. Sanchez, Jr., is liable for:

Forum Fees	= \$ 750.00
Total Fees	= \$ 750.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 750.00

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

**ARBITRATOR**

Jane E. Bates— Non-Public Arbitrator, Presiding Chair

Arbitrator's Signature:

/s/ Jane E. Bates  
Jane E. Bates  
Non-Public Arbitrator, Presiding Chair

September 24, 2004  
Signature Date

September 24, 2004  
Date of Service (For NASD office use only)

**ARBITRATOR**

Jane E. Bates-- Non-Public Arbitrator, Presiding Chair

Arbitrator's Signature:

  
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Jane E. Bates  
Non-Public Arbitrator, Presiding Chair

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

Date of Service (For NASD office use only)