

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between		}	AWARD
PaineWebber, Inc.	Claimant/ Counter- Respondent		
vs.			
Thomas Mullins	Respondent/ Counter- Claimant		
			CASE NO. 89-01391

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on May 11, 1989. Claimant/Counterrespondent alleged that Respondent/Counterclaimant was employed by Claimant/Counterrespondent as a broker, that in connection with Respondent/Counterclaimant's employment, PaineWebber, Inc. advanced Respondent/Counterclaimant the sum of \$40,000.00 and Respondent/Counterclaimant signed a promissory note to PaineWebber in that amount, and that pursuant to the terms of the promissory note all of the promissory note is due and owing. Respondent/Counterclaimant objected to the arbitration on the grounds that he has not consented to arbitrating this claim with the NASD. Further, Respondent/Counterclaimant denied that he owed on the promissory note. Respondent/Counterclaimant asserted a counterclaim, alleging that Claimant/Counterrespondent made certain representations and promises to Respondent/Counterclaimant, that the representations were false, that Claimant/Counterrespondent failed to disclose material facts which it had a duty to disclose, and that Claimant/Counterrespondent committed fraud and deceit. Claimant/Counterrespondent PaineWebber, Inc. denied the allegations in the counterclaim and asserted various affirmative defenses.

DAMAGES AND RELIEF REQUESTED

Claimant/Counterrespondent requested entry of an award in its favor in the amount of \$40,000.00, plus interest, together with attorneys' fees and costs, as provided in the note. Respondent/Counterclaimant requested an award as follows: 1) for a determination that Respondent/Counterclaimant is not obligated to arbitrate before the NASD; 2) that Claimant/Counterrespondent's claim be denied; 3) for general damages in the amount of wages which he lost by virtue of the fact that he relied on PaineWebber's representations and forewent other employment opportunities of which PaineWebber was aware; 4) for punitive damages in an amount to be proven at the arbitration; 5) for cancellation of the promissory note and Registration Application; 6) for costs and attorneys' fees; and 7) for

such other and further relief as is just. Claimant/Counterrespondent requested that the counterclaim be dismissed.

DAMAGES AND RELIEF AWARDED

On May 22, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant/Counterrespondent on May 8, 1989. Respondent/Counterclaimant did not sign a Submission Agreement but filed on September 17, 1989 an Objection to Arbitration Or, In the Alternative, Response to the Statement of Claim. The hearing was conducted in San Diego, California and lasted three sessions. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent/Counterclaimant was required to submit to arbitration and this panel has jurisdiction to decide this case.

2. Respondent/Counterclaimant is liable for and shall pay to Claimant/Counterrespondent the sum of Forty Thousand Dollars exactly (\$40,000.00), plus interest in the sum of Four Thousand, Fifty-One Dollars and Sixty-Seven Cents (\$4,051.67).

3. The parties shall each bear their respective costs including attorneys' fees.

4. In accordance with Section 45 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant/Counterrespondent as an assessment of forum fees by the arbitrators. In addition, PaineWebber, Inc. is also assessed additional forum fees of \$400, and Respondent/Counterclaimant Mullins is assessed fees of \$400.00 representing forum fees.

OTHER ISSUES

On September 1, 1989, the Superior Court of the State of California for the County of San Diego ordered the parties to arbitrate their grievances

before the National Association of Securities Dealers, Inc.; accordingly,
this panel had jurisdiction to decide the submitted issues.

PRESIDING ARBITRATORS

DATE SERVED: 07/19/90


A. James Miranti

Lewis C. Brown

Patricia Reilly