

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

PaineWebber, Inc.

92-01853

Name of Respondent/Counterclaimant

Elton Stanford Stevens

REPRESENTATION

For Claimant, PaineWebber, Inc. ("PW"): Steven M. Greenbaum, Esq. of PaineWebber, Inc.

For Respondent/Counterclaimant, Elton Sanford Stevens ("Stevens"): I. Jeffrey Pheterson, Esq. of Schmidt & Pheterson.

CASE INFORMATION

Statement of Claim filed: 6/3/92.

Claimant's Submission Agreement signed on: 6/1/92 by Gary J. Stegeland, Esq. on behalf of PW.

Statement of Answer filed by Respondent: 7/10/92.

Respondent/Counterclaimant's Submission Agreement signed on: 8/12/92.

HEARING INFORMATION

Hearing Dates/Sessions: 10/26/93-Two (2) Sessions.
10/27/93-Three (3) Sessions.

Hearing Location: Fort Lauderdale, Florida.

CASE SUMMARY

Claimant alleged that in connection with Stevens' employment with PW, on or about April 4, 1989, PW advanced Stevens the sum of \$88,287.00 and Stevens signed a promissory note ("the Note") to PW in that amount. Claimant alleged that in accordance with the terms of the Note Steven's indebtedness would be forgiven in four equal annual installments of \$22,071.75 each, provided that certain conditions were met, but that if Stevens' employment by PW were terminated for any reason whatsoever prior to the due date of the Note, then PW, at its option, may declare the Note immediately due and payable. Claimant alleged that Stevens voluntarily resigned from PW on March 27, 1992, shortly after the third anniversary of his employment leaving a balance due of one-fourth (1/4) of the note or \$22,071.75 not forgiven on the Note. Claimant further alleged that Stevens owes it an additional \$2,819.70 for outstanding taxes on the forgiven portion of the Note. Claimant alleged that it made several attempts to resolve the matter amicably with Stevens without success.

Respondent, Stevens, denied all allegations of wrong doing contained in the Statement of Claim and further asserted a Counterclaim against Claimant for the wrongful termination of Respondent's wife, Trudi N. Stevens. Stevens alleged that on February 20, 1992 PW breached the employment agreement by involuntarily terminating the services of Trudi Stevens, who was hired with Stevens as a team, without adequate justification and that as a result they have been damaged by lost profits, compensatory damages, including lost bonuses, commissions, compensation, waiver of advanced compensation agreement payments, lost pension benefits, expenses and such future losses as they may be reasonably certain to suffer as a result of this breach. Respondent/Counterclaimant alleged that Claimant's actions constituted the following: breach of contract; breach of covenant of good faith and fair dealings and fraud;

RELIEF REQUESTED

Claimant requested an award of damages in the amount of \$24,891.45 plus interest, together with attorneys' fees and costs.

Respondent/Counterclaimant requested dismissal of the Claim as well as relief on the Counterclaim.

OTHER ISSUES CONSIDERED & DECIDED

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. In either

case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent/Counterclaimant, Stevens, is found liable and shall pay to Claimant the amount of \$27,975.00 including interest.
2. Respondent/Counterclaimant, Stevens, is also found liable and shall pay to Claimant, PW, the further amount of \$12,000.00 for attorneys' fees pursuant to the contract dated April 4, 1989.
3. The Counterclaim is hereby denied in its entirety.
4. All other claims are hereby denied.

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the panel has assessed forum fees in the amount of \$3,000.00 (five hearing sessions X \$600.00)

1. Respondent/Counterclaimant, Stevens, is hereby assessed forum fees in the amount of \$3,000.00 for which the NASD shall retain the \$600.00 previously deposited in partial satisfaction thereof leaving a balance of \$2,400.00, \$600.00 of which shall be paid directly to Claimant, PW, leaving a balance due to the NASD of \$1,800.00.
2. The NASD shall retain the non-refundable filing fee of \$500.00 paid by Claimant, PW.

3. The NASD shall retain the non-refundable filing fee of \$250.00 paid by Respondent/Counterclaimant, Stevens.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

Concurring Arbitrators' Signatures

Name	Public/Industry
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/s/

Harold D. Powell, Jr., Esq.

Industry/Chairman

/s/

Carl J. Hegner

Industry/Panelist

/s/

Bernard Finger

Industry/Panelist

Date of Decision: December 21, 1993