

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Robert R. Kneisley

vs.

Case#

92-03727

Name of Respondent

PaineWebber, Inc.

REPRESENTATION

For Claimant: Declan J. O'Donnell, Esq. a sole practitioner.

For Respondent: Paul G. Thomas, Esq. of PaineWebber, Incorporated.

CASE INFORMATION

Statement of Claim filed: November 2, 1992.

Claimant's Submission Agreement was signed on: November 23, 1992.

Statement of Answer filed by Respondent, PaineWebber, Incorporated, on: March 9, 1993.

Respondent, PaineWebber Incorporated's Submission Agreement signed on: March 8, 1993.

HEARING INFORMATION

Hearing Dates/Sessions:	October 6, 1993	-	One session
	October 7, 1993	-	Two sessions
	October 8, 1993	-	One session

Hearing Location: American Arbitration Association -- Southfield, MI.

CASE SUMMARY

Claimant alleges that he was employed by Respondent, PaineWebber, Incorporated ("PW"). Claimant alleges that he sought approval of his book and periodic advisory called "The Indicator," and that his branch manager, Thomas A. Orchard ("Orchard") cleared The Indicator through PaineWebber's Compliance Department. Claimant alleges that PW saw no conflict as long as PW did not appear in the literature by name and its research was not used. Claimant alleges that he abided by this request.

Claimant alleges that approximately two years later Orchard required him to temporarily suspend The Indicator activities. Claimant alleges that a short time later he was ordered to terminate or be fired. Claimant alleges that he had his attorney send a letter serving notice of "Untenable Circumstances" and that his employment was terminated by PaineWebber.

Respondent maintains that they allowed Claimant to publish The Indicator provided that PW was not mentioned or its research used. Respondent maintains that after the publication of Claimant's book, PW admonished Claimant that when he communicated with the public, with respect to the book, it must be made clear that Claimant's activities were not related to his duties at PaineWebber.

Respondent maintains that Claimant became increasingly involved with an investment newsletter he began to write and distribute. Respondent maintains that Orchard informed Claimant that he could not conduct any Indicator-related activities at PW. Respondent asserts that Claimant stated that The Indicator was important to his business. Respondent maintains that they determined that Claimant engaged in activities well beyond the scope of his original approval; activity that is against PW policy and rules and regulations. Respondent maintains that they determined that Claimant's actions constituted serious violations and directed Claimant to cease and desist from further involvement with The Indicator or face termination. Respondent maintains that Claimant soon thereafter resigned from PW.

RELIEF REQUESTED

Claimant requested damages due to wrongful termination in the amount of \$66,648.48; damages due to loss of future income in the amount of \$392,609.31; damages due to loss of reputation and loss of self-esteem in the amount of \$100,000.00; plus costs and interest.

Respondent requested that the claims be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

At the close of Claimant's presentation of testimony and evidence, Respondent made an oral motion to Dismiss. After hearing the oral arguments of both parties, the panel unanimously granted the Motion to Dismiss. The claims of the Claimant are thereby dismissed in their entirety.

FORUM FEES


Pursuant to Section 44(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

\$500.00	Non-refundable filing fee
\$4,000.00	Hearing Session fees (4 sessions x \$1,000)

1. Total forum fees in the amount of \$4,500.00 are hereby divided equally, between the parties.
2. Claimant is therefore assessed fees in the amount of \$2,250. Claimant is entitled to offset this amount with the \$1,500.00 previously deposited. Claimant shall pay the balance of \$750.00 to the NASD, Inc.
3. Respondent is hereby assessed in the amount of \$2,250 and shall pay this amount to the NASD, Inc.

Concurring Arbitrator's Signature
Name

Industry Panelist


John R. Main

Date of Decision: December 16, 1993

Respondent requested that the claims be dismissed.

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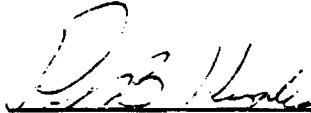
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Concurring Arbitrator's Signature
Name

Industry Chairperson


Peter B. Kupelian, Esq.

Date of Decision: December 16, 1993

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Name

Industry Panelist


Thomas C. Girardot

Date of Decision: December 16, 1993