

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

PaineWebber, Inc.

92-04223

Name of Respondents

Gregory A. Otterman

REPRESENTATION

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

For Respondent, Gregory A. Otterman ("Otterman"): pro se.

CASE INFORMATION

Statement of Claim filed: 12/17/92.

Claimant's Submission Agreement signed on: 12/14/92 by Garry J. Stegeland on behalf of P.W.

Respondent, Otterman, did not file a Statement of Answer or submit an executed Submission Agreement as required by Sections 12 and 25 of the Code.

HEARING INFORMATION

Hearing Date/Sessions: 10/22/93-One (1) Session.

Hearing Location: Tampa, Florida.

CASE SUMMARY

Claimant alleged that Respondent, Otterman was hired by P.W. on or about February, 6, 1990 as an investment executive in its Tampa office and that on or about May 2, 1991, Otterman signed a promissory note ("Note"), whereby he agreed to repay P.W. \$6,300.00 for a debt which was due to overpayment of Otterman's March 1991 commissions. Claimant stated that despite agreement to

pay Respondent has failed to repay the Note and voluntarily resigned from P.W. on May 2, 1991. Claimant further alleged that Respondent is indebted to it for contribution for a settlement that P.W. was forced to pay with respect to a customer complaint by one of Otterman's former customers at P.W.

At the hearing, Respondent admitted that he was indebted to Claimant for the promissory note but disputed the amount of the Note. Claimant stated that he felt that he owed much less.

RELIEF REQUESTED

Claimant requested entry of an award in its favor against Respondent in the amount of \$6,300.00 for the defaulted Note, plus interest, costs and attorneys' fees as expressly allowed for in the Note.

Respondent requested that Claimant's requests for interest and costs be denied.

OTHER ISSUES CONSIDERED & DECIDED

1. At the hearing Respondent, Otterman, stated on the record that he was submitting to this arbitration proceeding on a voluntary basis although he had not submitted a Statement of Answer nor an executed Submission Agreement. Jurisdiction exists pursuant to Section 12 of the NASD Code of Arbitration Proceeding and pursuant to the Form U-4 executed by Otterman while he was employed at P.W.
2. At the hearing Claimant withdrew its Claim with respect to contribution, without prejudice.
3. 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 (if any), the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Otterman, is found liable and shall pay to the Claimant the amount of \$6,300.00 plus accrued simple interest at the rate of 5% per annum from , May 2, 1991, the date that the Note was signed, to the date of payment of this Award.
2. Claimant's requests for attorneys' fees and costs are hereby denied.

OTHER COSTS

The parties shall each bear their own costs and expenses incurred in connection with this proceeding, including attorneys' fees.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the panel has assessed forum fees in the amount of \$600.00 (One (1) hearing session X \$600.00).

1. Respondent, Otterman is hereby assessed forum fees in the amount of \$600.00 payable directly to the Claimant.
2. The NASD shall retain the non-refundable filing fee of \$500.00 paid by the Claimant.

ARBITRATION PANEL

Concurring Arbitrators' Signatures

Name

Public/Industry

/s/

Linda Oldt

Industry/Chairperson

/s/

Eugene B. Harper, Esq.

Industry/Panelist

/s/

Robert W. Hicks

Industry/Panelist

Date of Decision: January 26, 1994