

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

**Name of Claimant**

PaineWebber, Inc.

93-00274

**Name of Respondent**

Charles Wesley Munro

**REPRESENTATION OF PARTIES**

Claimant, PaineWebber, Inc. ("PaineWebber") was represented at the hearing by John Hubbard, Esq of the Law Offices of Alan Miller, Birmingham, Michigan.

Respondent, Charles Munro ("Munro") appeared at the hearing Pro Se.

**CASE INFORMATION**

Statement of Claim filed on January 25, 1994. Reply to the Counterclaim filed on May 4, 1993. Claimants' Submission Agreement was signed on March 8, 1993.

Statement of Answer and Counterclaim filed by Respondent on March 9, 1993. Respondent's Submission Agreement signed on January 21, 1993.

**HEARING INFORMATION**

The hearing was held on April 14, 1994 for one (1) session, December 6, 1994 for two (2) sessions, and on December 7, 1994 for one (1) session, in Chicago, Illinois for a total of four (4) sessions.

**CASE SUMMARY**

Claimant, PaineWebber alleged that Respondent, Munro has an outstanding debit balance on the Promissory Note which Munro entered into with PaineWebber in connection with his employment.

Respondent, Munro stated in his Answer that PaineWebber breached its employment contract with Munro and therefore is barred from recovering any amounts from the Promissory Note. Munro included a counterclaim against PaineWebber for fraud, breach of contract, constructive discharge, and slander.

Claimant PaineWebber submitted a Reply to the Counterclaim which denied the allegations.

RELIEF REQUESTED

Claimant requested an award in the amount of \$73,223.08, plus interest, together with attorney's fees and costs, as provided for in Note #2750 and in Note #3429. Claimant also requested that the counterclaim be denied.

Respondent requested an award in his favor for an amount in excess of \$100,000.00, plus punitive damages of \$100,000.00, plus attorney's fees, costs and such other and further relief as is deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed by 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, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Charles Munro shall be and hereby is liable for, and shall pay to the Claimant, the promissory note in the amount of Eighty Six Thousand, Three Hundred Seventy One Dollars and Eighty Six Cents (\$86,371.86);

2. Respondent, Charles Munro shall be and hereby is liable for, and shall pay to the Claimant, attorney's fees in the amount of Twenty Five Thousand Dollars and No Cents (\$25,000.00). The panel awarded attorney's fees pursuant to the terms of the Promissory Note entered into between the parties.

3. Each of the parties shall bear their own costs and expenses incurred, other than those specifically enumerated for herein.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the following forum fees are assessed:

4 hearing sessions x \$600 = \$2400 minus hearing session deposit of \$600 = net \$1800 due.

Pursuant to Section 43(c) of the Code, the NASD shall retain the nonrefundable filing fee in the amount of \$500, and shall retain the hearing session deposit in the amount of \$600 previously paid to the NASD by Claimant.

The NASD shall also retain the non-refundable filing fee from Respondent for his counterclaim in the amount of \$500. The \$750 hearing session deposit from Respondent shall be credited toward the postponement fees due to the NASD from Respondent in the sum of \$1750.

Additional forum fees in the amount of \$1800 is ordered by the panel to be paid to the NASD by Claimant in the sum of \$900 and by Respondent in the sum of \$900.

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

**By The Arbitration Panel:**

Dated:

12/21/94

s/s Gregg Rzepczynski

Gregg Rzepczynski, Esq.  
Presiding, Industry Arbitrator

12/21/94

s/s Scott W. Turner

Scott W. Turner  
Industry Arbitrator

12/8/94

s/s James F. Wade

James F. Wade  
Industry Arbitrator

Date Award Served By The NASD: 12/21/94