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NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

PaineWebber, Inc.

and

93-00978

Name of Respondent

Daniel Arsenault

REPRESENTATION OF PARTIES

PaineWebber, Inc. ("Claimant") was represented by Joseph A. Vallo, Esq., PaineWebber, Inc., Miami, Florida.

Daniel Arsenault ("Respondent") appeared *pro se*.

CASE INFORMATION

The Statement of Claim was filed on or about March 15, 1993. Submission Agreement of Claimant PaineWebber, Inc. was signed on March 9, 1993 by Garry Stegeland.

Respondent Daniel Arsenault did not file an Answer or Submission Agreement.

HEARING INFORMATION

The hearing was held on Wednesday, September 21, 1994 in Dallas, Texas for a total of one (1) session.

CASE SUMMARY

Claimant alleged that Respondent Arsenault executed a Promissory Note which provided in part that his indebtedness would be forgiven in four equal annual installments, provided that certain conditions were met. The Note also provided that if Mr. Arsenault's employment were terminated for any reason prior to the due date of the Note, then PaineWebber at its option, may declare the Note immediately due and payable. PaineWebber alleged that Mr. Arsenault was permitted to resign for trading practices inconsistent with PaineWebber philosophy. It was also alleged that certain customer complaints have been settled by PaineWebber for which it seeks

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indemnification or in the alternative, contribution. It was also alleged that Mr. Arsenault's production did not meet his draw leaving a draw deficit.

Respondent Arsenault did not file an answer to the Statement of Claim.

RELIEF REQUESTED

Claimant requested an award in the amount of \$65,090.84, plus interest, together with attorneys' fees and costs, as expressly provided for in the Note.

Respondent Daniel Arsenault did not file an answer.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Daniel Arsenault did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to §8 of the NASD Code of Arbitration Procedure (the "Code") and having appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

The parties agreed to proceed with the hearing of this matter with two arbitrators pursuant to §24 of the NASD Code of Arbitration Procedure.

At the commencement of the hearing, Claimant PaineWebber, Inc. asserted a Motion to preclude Respondent Daniel Arsenault from presenting any evidence or defense to the claims asserted against him under §25(b)(2)(iii) of the NASD Code of Arbitration Procedure. After hearing argument from the parties, the undersigned arbitrators denied the motion.

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 original(s) 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 Daniel Arsenault shall be and hereby is liable for and shall pay to the Claimant PaineWebber, Inc. the sum of Sixty four thousand fifty six dollars (\$64,056).
2. Each party shall bear its own costs, expenses and attorneys' fees incurred in this matter not specifically enumerated herein.

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3. All relief requested not specifically awarded is hereby denied.

FORUM FEES

Forum fees are calculated at the rate of \$600 per hearing session and \$300 for each prehearing conference, if any. There was one (1) session x \$600 = \$600 in forum fees. Pursuant to §44(b) a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §44(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$500 and shall retain as forum fees the hearing session deposit in the amount of \$600 previously deposited with the NASD by the Claimant PaineWebber, Inc.

The NASD shall retain postponement fees in the amount of \$1,200 previously deposited with the NASD by PaineWebber, Inc. and shall refund to Claimant PaineWebber, Inc. the sum of \$150.

Dated:

/s/ John W. Ferguson

John W. Ferguson
Industry Arbitrator, Presiding Chair

September 26, 1994

/s/ G. Dale McKissick

G. Dale McKissick
Industry Arbitrator

September 26, 1994