

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

INDUSTRY

PaineWebber, Inc.

93-02425

Name of Respondent(s)

Raymond J. Smith

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**REPRESENTATION**

For Claimant PaineWebber, Inc: Edward P. Degenhardt, Esq., Weehawken, NJ.

For Respondent John E. Lawlor, Esq., Garden City, NY.

**CASE INFORMATION**

Statement of Claim filed: June 18, 1993.

Claimant's Submission Agreement signed on: June 16, 1993.

Statement of Answer filed by Respondent Raymond J. Smith on: August 27, 1993.

Respondent Raymond J. Smith's Submission Agreement signed on: September 10, 1993.

**HEARING INFORMATION**

Hearing Date/Session: April 18, 1994 / One Session.

Hearing Location: NASD offices located in New York City, New York.

### **CASE SUMMARY**

Claimant alleged that in connection with Respondent's employment, PaineWebber, Inc. advanced him the sum of \$15,000.00 and the Respondent executed a Promissory Note (the "1988 Note") to PaineWebber, Inc. in that amount. Additionally, Claimant further alleged again in connection with Respondent's employment, on or about September 17, 1990 PaineWebber, Inc. and Respondent executed a second promissory note (the "1990 Note") in the principal amount of \$15,000.00. Additionally, Claimant further alleged again in connection with Respondent's employment on or about September 19, 1991 PaineWebber, Inc. and Respondent executed a third promissory note in the principal amount of \$15,000.00 (the "1991 Note"). Claimant further alleged Respondent voluntarily resigned from PaineWebber, Inc. on April 2, 1993 to go work for another brokerage firm and his termination triggered a debt to PaineWebber, Inc. in the aggregate sum of \$16,664.00 representing money owed for the defaulted loan balance on the 1991 Note and under the Notes he agreed to pay all indebtedness upon demand including all costs and expenses including but not limited to reasonable counsel's fees.

Respondent maintained that he was enticed to come over to PaineWebber, Inc. and would receive support to continue commodities business and unbeknownst to Respondent PaineWebber, Inc. made a decision to go out of the retail commodities business and Respondent's business suffered as a result.

### **RELIEF REQUESTED**

Claimant requested damages of \$16,664.00 plus interest together with reasonable attorneys' fees and NASD filing fees and costs.

Respondent requested a dismissal of the Statement of Claim and such other and further relief as the arbitrators may deem appropriate.

### **AWARD**

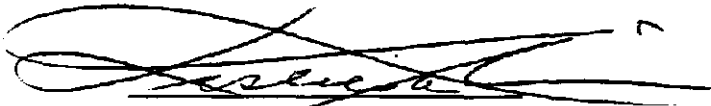
After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators having decided in full and final resolution of the issues submitted for determination as follows:

1. The Respondent be and hereby is liable and shall pay to the Claimant the sum of \$11,798.00 inclusive of interest.
2. Each party shall bear their respective costs including attorneys' fees.

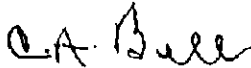
**FORUM FEES**

Pursuant to Section 44c of the Code of Arbitration Procedure, the NASD shall retain the \$500.00 claim filing fee and the \$600.00 hearing session deposit previously paid by the Claimant.

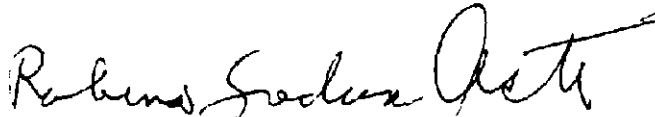
**ARBITRATORS' SIGNATURE**



Leslie A. Klein, Esq.  
Industry Arbitrator



C. Anthony Bell  
Industry Arbitrator



Robina Fedora Asti  
Industry Arbitrator

Date of Decision: May 19, 1994

Award #93-02425

STATE OF: *NEW YORK*

SS:

COUNTY OF: *NEW YORK*

On this *6<sup>TH</sup>* day of *May*, 1994, before me personally appeared **Leslie A. Klein, Esq.** known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.



VICTORIA A. STONE  
Notary Public, State of New York  
No. 01ST 5022030  
Qualified in New York County  
Commission Expires Dec. 27, 1995

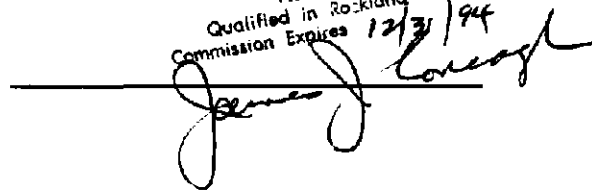
STATE OF: *NY*

SS:

COUNTY OF: *ROCKLAND*

On this *10* day of *MAY*, 1994, before me personally appeared **C. Anthony Bell** known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

JAMES J. CONCAGH  
Notary Public, State of New York  
No. 4617424  
Qualified in Rockland County  
Commission Expires *12/31/94*



STATE OF:

SS:

COUNTY OF:

On this *14* day of *May*, 1994, before me personally appeared **Robina Fedora Asti** known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that the executed the same.



IRENE K. COYMAN  
NOTARY PUBLIC, State of New York  
No. 6621557  
Residence of appointment Orange County  
Commission Expires *June 30, 1995*