

NASD STIPULATED AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

PaineWebber Incorporated

and

94-01880

Randall W. Roebuck

AGREED ARBITRATION AWARD

Claimant, PaineWebber Incorporated ("PaineWebber"), and Respondent, Randall W. Roebuck ("Roebuck"), hereby stipulate and agree to the entry of the following award in the above-captioned arbitration.

CASE SUMMARY

In the Statement of Claim, PaineWebber alleged that Roebuck was hired as an Investment Executive on or about October 12, 1992. In connection with this employment, PaineWebber allegedly advanced Roebuck the sum of \$67,637.00 while Roebuck signed a promissory note (the "Note") on or about October 26, 1992. As alleged, the terms of the Note provide that Roebuck's indebtedness would be forgiven in four equal annual installments of \$16,909.25 yet, if the employment were terminated by PaineWebber for cause or by Roebuck voluntarily or involuntarily prior to the due date on the Note, then PaineWebber may declare the Note immediately due and payable. Claimant alleged that Roebuck read a separate written explanation of the terms of the Note and signed an acknowledgement form. Claimant further alleged that, on or about October 12, 1992, Roebuck signed an Investment Executive Agreement ("IE Agreement") by which he agreed to reimburse PaineWebber for any amounts owed by him under any agreement with PaineWebber. Since Roebuck allegedly voluntarily resigned from PaineWebber on February 4, 1994, PaineWebber claimed that Roebuck owed \$50,727.75 for the unforgivable portion of the Note and \$1,341.84 for outstanding taxes owed on the forgiven portion of the Note as well as interest, attorneys' fees and costs. Despite demand, Roebuck had allegedly failed and refused to repay the Claimant.

In the Statement of Answer, Roebuck denied the allegations contained in the Statement of Claim. Roebuck asserted that Alex Lieblong, Branch Manager, advised him not to worry about repaying the balance of the Note because Claimant would not pursue the Respondent for the debt. The Respondent allegedly relied on said representations of Lieblong and would not have terminated his employment with Claimant had he known it would result in efforts by PaineWebber to collect the balance of the Note. The Respondent requested that Claimant be barred and estopped from

collection of the unpaid portion of the loan or that Claimant be declared forgiven due to the Claimant's actions.

AWARD

In a letter dated April 4, 1994 submitted by the Claimant, PaineWebber and Randall W. Roebuck announced their settlement and their agreement to the entry of an agreed arbitration award. The arbitration panel, having considered the announcement by the parties of the agreed arbitration award to be the full and final resolution of the issues submitted for determination by PaineWebber, Incorporated and Randall W. Roebuck. The panel enters the following award:

1. Respondent, Randall W. Roebuck is liable for and shall pay to the Claimant, PaineWebber, Incorporated total damages in the amount of \$35,000.00;
2. The above amount includes interest, attorneys fees and costs; and
3. All other relief requested not specifically granted herein is hereby denied in its entirety.

Arbitrators' Signatures:

Dated:

Thomas Pate
Thomas Pate
Industry Arbitrator, Presiding Chair

April 1, 1996

Richard Bingham
Richard Bingham
Industry Arbitrator

March 15, 1996

John Pruniski
John Pruniski
Industry Arbitrator

March 15, 1996

Date served by the NASD: April 3, 1996