

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

PaineWebber, Inc.

and

95-00914

Name of Respondent

David Meza

REPRESENTATION OF PARTIES

PaineWebber, Inc. ("Claimant") was represented by Lisa Catalano Tillem, Esq. of PaineWebber, Inc. located in Weehawken, NJ.

David Meza ("Respondent") appeared Pro Se'.

CASE INFORMATION

The Statement of Claim was filed on or about February 22, 1995.

The Submission Agreement of Claimant, PaineWebber, Inc. was signed on February 14, 1995 by Joseph F. Generelli, Esq., First Vice President.

The Statement of Answer was filed on or about April 15, 1995.

The Submission Agreement of Respondent, David Meza was signed on April 13, 1995.

HEARING INFORMATION

The hearing was held on April 10, 1996 in Houston, TX before three arbitrators for one (1) hearing session.

CASE SUMMARY

In the Statement of Claim, PaineWebber, Inc. ("PaineWebber") hired David Meza ("Meza") on or about April 30, 1993 as an Investment Executive in its Houston, TX office. As alleged, Meza signed on or about May 4, 1993 an Investment Executive Agreement in which he agreed to reimburse PaineWebber for any amounts owed in the event of his termination of employment. PaineWebber claimed that on or about May 19, 1993 and in connection with his employment, Meza was advanced the sum of \$40,434.00 and signed a promissory note (the "Note") to PaineWebber in the same amount. PaineWebber further claimed that Meza executed a Employee Forgivable Loan Acknowledgment Form which indicated that he read and understood the separate written explanation of the terms of the Note given to him by PaineWebber. The terms of the Note allegedly provided that Meza's indebtedness would be forgiven in four equal installments of \$10,108.50 yet if Meza's employment were terminated by him, either voluntarily or involuntarily, or by PaineWebber for cause prior to the due date on the Note, then PaineWebber may declare the Note due and payable. According to the Claimant, Meza voluntarily resigned from his employment with PaineWebber on July 8, 1994 leaving a debt due to PaineWebber in the amount of \$30,325.50. Despite a demand letter dated August 8, 1994, Meza has allegedly refused to honor the Note and repay the debt.

In his Statement of Answer, David Meza claimed that he explained in June, 1994 his personal situation to Pat Mendenhall, Branch Manager, who stated not to worry and to continue working as well as possible. Meza alleged that on or about July 1, 1994, Mendenhall and two assistant managers outlined a probation program they wanted Meza to agree to and explained that if Meza failed to sign the agreement that he would be terminated. According to the Respondent, Meza informed Mendenhall after a weekend that he could not sign the probation agreement so Meza was terminated. The Respondent asserted that Mendenhall had agreed to accept Meza's offer of payment in \$50.00 to \$100.00 monthly increments yet the Collection Department of PaineWebber refused this offer of repayment. Meza maintained that he was terminated without cause and, therefore, the bonus was not due and payable.

RELIEF REQUESTED

In the Statement of Claim, PaineWebber, Inc. requested an award in the amount of \$30,325.50 plus interest, attorneys' fees and costs.

In his Statement of Answer, David Meza requested that the claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

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, David Meza is hereby liable for any shall pay to the Claimant, PaineWebber, Inc. the sum of \$30,325.50 in actual damages;
2. Respondent, David Meza is hereby liable for and shall pay to the Claimant, PaineWebber, Inc. the amount of \$5,887.30 in interest;
3. The parties shall bear their own costs including attorneys' fees except for those specifically enumerated herein; and
4. Any relief not specifically granted herein is hereby denied in its entirety.

FORUM FEES

Forum fees are calculated at the rate of \$600.00 per hearing session. There was one (1) hearing session \times \$600.00 = \$600.00 in forum fees. Pursuant to Section 44(b) of the Code of Arbitration Procedure (the "Code"), 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 Section 44(c) of the Code, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$500.00, the member surcharge in the amount of \$200.00 imposed pursuant to Section 45 and shall retain as forum fees the hearing session deposit in the amount of \$600.00 previously deposited with the NASD by the Claimant, PaineWebber, Inc. The NASD shall also retain the postponement fees in the amount of \$600.00 previously filed by the Claimant, PaineWebber, Inc. Respondent, David Meza is hereby liable for and shall pay to the Claimant, PaineWebber, Inc. the sum of \$1,300.00 as reimbursement.

Signatures:

Dated:

Mary E. Baker, Esq.
Mary E. Baker, Esq.
Industry Arbitrator, Presiding Chair

April 22, 1996

Mark S. Utkov
Mark S. Utkov
Industry Arbitrator

April 22, 1996

Nick Sacaris
Nick Sacaris
Industry Arbitrator

April 20, 1996

Date served by the NASD: May 1, 1996