

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

PaineWebber, Inc.

95-01011

Name of Respondent

Scott R. Beard

REPRESENTATION

For Claimant: Joseph F. Generelli, Esq., of PaineWebber Incorporated, of Weehawken, New Jersey.

The Respondent appeared pro se.

CASE INFORMATION

Statement of Claim filed: February 27, 1995.

Claimant's Submission Agreement signed on: February 16, 1995.

The Respondent did not execute a Submission Agreement or file a Statement of Answer.

CASE SUMMARY

Claimant, PaineWebber, Incorporated ("PaineWebber"), alleged that on or about June 3, 1994, PaineWebber hired Respondent, Scott R. Beard, as an investment executive in its Atlanta, Georgia office.

Claimant alleged that in connection with his employment, Beard signed an "Investment Executive Agreement" in which Beard agreed that in the event of the termination of his employment with PaineWebber, "to reimburse PaineWebber for ...any amounts owed by me to PaineWebber under any agreement..."

Claimant alleged that in connection with Beard's employment, PaineWebber advanced Beard the sum of \$65,620 and Beard signed a promissory note ("Note") to PaineWebber in that amount.

Claimant alleged that Beard at or about the time he signed the Note, also was provided with separate written explanations of the terms of the Note and signed a separate acknowledgment that he had read and understood the separate explanation regarding his obligation to repay the unforgiven portion of the Note.

Claimant alleged that the terms of the Note provide in pertinent part that Beard's indebtedness would be forgiven in four equal installments of \$16,405 each, provided that certain conditions were met. However, if Beard's employment was terminated by him, either voluntarily or involuntarily; or if his employment was terminated for cause by PaineWebber prior to the due date of the Note, then PaineWebber, at its option, may declare the Note due and payable.

Claimant alleged that Beard voluntarily resigned from his employment at PaineWebber effective December 12, 1994.

Claimant alleged that since Beard's employment with PaineWebber was terminated prior to the first anniversary of employment, Beard's termination triggered a debt due to PaineWebber in the aggregate amount of \$63,591.76.

Claimant alleged that Beard has refused to honor the Note and repay his debt.

Claimant alleged that it has written Beard declaring his debt stemming from the defaulted Note, immediately due and payable and demanding repayment.

Claimant alleged further that Beard acknowledged that the Note was not an employment contract.

RELIEF REQUESTED

Claimant requested:

- (1) An award in its favor for \$63,591.76;
- (2) Interest;
- (3) Costs; and,
- (4) Attorneys' fees.


AWARD

The parties have entered into a settlement agreement which is hereby incorporated and attached and made part of this Award.

FORUM FEES

The NASD shall retain the claim filing fee and the member surcharge which already have been paid to the NASD. The NASD shall refund the hearing session deposit in the sum of \$600 to the Claimant, PaineWebber.

Arbitrator's Signature



William A. McMahon
Industry Arbitrator

Execution
Date of Decision:

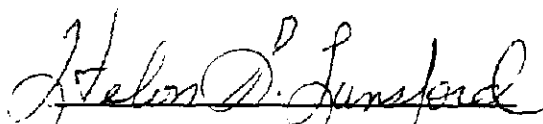
7/10/95

Date of Decision: July 17, 1995

STATE OF: Georgia
COUNTY OF: DeKalb

SS: 259-50 9793

On this 10th day of July, 1995, before me personally appeared William A. McMahon, known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



Notary Public, DeKalb County, Georgia
My Commission Expires Oct. 6, 1995