

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Paragon Capital Corp.

95-02072

Name of Respondent

Jason McElhone

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on April 28, 1995, Claimant Paragon Capital Corp., through its representative and Compliance Director, Michele D. Wessel, located in New York, NY, alleged that Respondent Jason McElhone, failed to repay money owed on a promissory note as well as money owed for a debit balance. Claimant further alleged that it employed Respondent from October 24, 1994, until his voluntary termination on December 19, 1994. Claimant contended that Respondent received a sign on bonus of \$2,000.00 and signed an agreement stating that "bonuses given will be forgiven if employee remains at Paragon for a minimum of two (2) years from his registration date, or the full term of this agreement". Claimant further contended that Respondent resigned after only two months of employment. Claimant alleged that at the time of his resignation, Respondent had accumulated debits which remain unpaid. As a result of the above, Claimant alleged that it has suffered a loss for which Respondent should be held liable.

Respondent Jason McElhone, through his representative, Howard A. Tescher, Esq., of Kipnis, Tescher, Lippman, Valinsky & Kain, located in Fort Lauderdale, FL, generally denied the allegations contained in the Statement of Claim. Respondent maintained that Claimant's authorized representative agreed to accept Respondent's last paycheck in full satisfaction of any and all obligations which Respondent might have to the Claimant. As a result of the above, Respondent maintained that he should not be held liable.

**RELIEF REQUESTED**

Claimant Paragon Capital Corp., requested \$1,803.74 in actual damages, \$108.22 interest, plus costs.

Respondent Jason McElhone, requested that the claims of the Claimant be dismissed.

**AWARD**

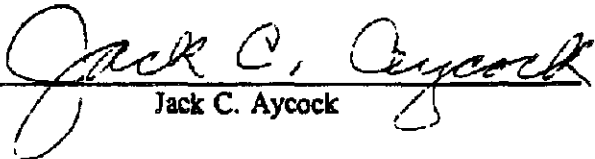
Pursuant to Section 10 of the NASD, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, Jack C. Aycock, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Paragon Capital Corp., on April 26, 1995, and by the Respondent Jason McElhone, on June 22, 1995.

And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Jason McElhone, is liable and shall pay to the Claimant Paragon Capital Corp., \$1,803.74 in actual damages.
2. Respondent Jason McElhone, is liable and shall pay to the Claimant Paragon Capital Corp., interest in the amount of \$108.22.
3. The parties shall bear their respective costs.
4. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Paragon Capital Corp., shall be retained by the NASD, Inc. Respondent Jason McElhone, is liable and shall pay to the Claimant Paragon Capital Corp., \$575.00 as reimbursement of the filing fee.

**AFFIRMATION**

I, **JACK C. AYCOCK**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
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Jack C. Aycock

DATE OF DECISION: DECEMBER 21, 1995