

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

PaineWebber, Inc.

95-02191

Name of Respondent

Jose A. Kripacz

REPRESENTATION

For claimant PaineWebber, Inc. ("claimant") appeared Thomas M. Mierswa, Jr., Esq., Corporate Vice President and Senior Litigation Counsel of PaineWebber, Inc.

Respondent Jose A. Kripacz ("respondent") appeared pro se.

CASE INFORMATION

Statement of Claim filed: May 4, 1995.

Claimant's Submission Agreement signed on: May 3, 1995.

Claimant's Motion to Bar Defenses and For an Award By Default filed: March 25, 1996.

Statement of Answer filed: March 27, 1996.

Respondent's Submission Agreement signed on: April 1, 1996.

Respondent's Reply to Motion to Bar defenses and For an Award by Default filed: March 27, 1996.

HEARING INFORMATION

Hearing Date/Sessions: April 1, 1996 - Two Sessions

The hearing was held at the Marriott Financial Center Hotel located in New York, New York.

CASE SUMMARY

Claimant alleged that respondent was hired as an Investment Executive in June 1989. Claimant further alleged that, on or about November 1, 1991, it advanced respondent the sum of \$111,891.00 and respondent signed a promissory note in that amount. Claimant also alleged that the terms of the promissory note provided that respondent's indebtedness would be forgiven in three equal annual installments of \$37,297.00 each on 11/01/92, 11/01/93 and 11/01/04, provided that respondent remained in its employ.

Claimant that alleged respondent resigned June 7, 1993 and that \$74,594.00 is still due and owing under the promissory note, less \$12,661.26 received through a separate arrangement.

Respondent maintained that he left his former employment to work for claimant in June of 1989 in order to implement his project that consisted of an International Department specializing in high net worth individuals from Latin America and Europe. Respondent further maintained that he had several meetings with claimant about his proposal and that claimant assured him that his project was what it was looking for. Respondent maintained that, shortly after the project started, claimant had to cut \$50 million in costs and, as a result, his project was killed. Respondent also maintained that because he had only a small number of clients he could not produce and, therefore, he accepted another job.

Respondent maintained that claimant contacted him in order to settle the loan and that an agreement was reached with claimant under which he would pay claimant monthly payments of \$1,500.00 for a total of \$36,000. Respondent further maintained that he already paid \$15,000 under the settlement and, therefore, the balance owed is only \$21,000.00.

RELIEF REQUESTED

Claimant requested the entry of an award in its favor in the amount of \$61,932.74 plus interest, attorney's fees and filing costs.

Respondent requested that the Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

At the hearing, the arbitrators considered claimant's Motion to Bar Defenses and For an Award By Default and denied the motion.

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 remains 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 be and hereby is liable and shall pay claimant the sum of \$80,050.16, inclusive of interest.
2. Claimant's request for attorneys' fees is denied.
3. Each party shall bear their respective costs.
3. All other claims are hereby denied.

FORUM FEES

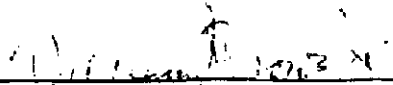
Pursuant to Section 44(c) of the Code of Arbitration Procedure, the arbitrators have determined that the NASD shall retain the \$500.00 non-refundable filing fee submitted by Claimant and have assessed the following forum fees:

2 hearing sessions x \$600.00 = \$1,200.00

1. Claimant is liable for the sum of \$600.00, representing one-half of the forum fees assessed. Claimant previously deposited \$600.00 with the NASD and, therefore, claimant owes \$0 to the NASD.
2. Respondent is liable and shall pay to the NASD the sum of \$600.00, representing one-half of the forum fees assessed.

Fees are payable to the National Association of Securities Dealers, Inc.

Arbitrators' Signatures




William Crowe, Jr., Esq.
Industry Arbitrator

Mary Ellen Vitrano, Esq.
Industry Arbitrator

Sheldon Lasher
Industry Arbitrator

Date of Decision: July 2, 1996

I, William Crowe, Esq., do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules that I am the individual described herein and who executed this instrument which is my award.



William Crowe, Esq.

Arbitrators' Signatures

William Crowe, Jr., Esq.
Industry Arbitrator

Mary Ellen Vitrano

Mary Ellen Vitrano, Esq.
Industry Arbitrator

Sheldon Lasher
Industry Arbitrator

Date of Decision: July 2, 1996

I, Mary Ellen Vitrano, Esq., do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules that I am the individual described herein and who executed this instrument which is my award.


Mary Ellen Vitrano

Mary Ellen Vitrano, Esq.

Arbitrators' Signatures

William Crowe, Jr., Esq.
Industry Arbitrator

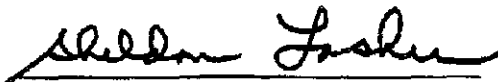
Mary Ellen Vitrano, Esq.
Industry Arbitrator



Sheldon Lasher
Industry Arbitrator

Date of Decision: July 2, 1996

I, Sheldon Lasher, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules that I am the individual described herein and who executed this instrument which is my award.



Sheldon Lasher