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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Paragon Capital Corporation

10/81
95-04219

Name of Respondent

Susan Jeanette Reynolds

REPRESENTATION

For Claimant: David S. Smith, Esq. of the law firm of Smith, Campbell & Paduano, New York, New York.

For Respondent: Michael C. Addison, Esq., Tampa, Florida.

CASE INFORMATION

Statement of Claim filed: September 1, 1995.

Claimant's Submission Agreement signed on: August 28, 1995.

Reply to Counterclaim filed on: January 31, 1997.

Statement of Answer filed by Respondent on: November 21, 1995.

Counterclaim filed on: May 7, 1996.

Respondent's Submission Agreement signed on: October 6, 1995.

HEARING INFORMATION

Four hearing sessions were conducted in this matter on September 10 and 29, 1997 in Tampa, Florida.

CASE SUMMARY

Claimant alleged that Respondent was hired in July of 1994 to become manager of Claimant's Tampa, Florida branch office. Claimant alleged that, pursuant its written employment agreement with Respondent, Respondent is obligated to repay the sum of 21,116.20, representing reimbursable draws received by her.

Respondent maintained that her understanding of the basis of her compensation was that she was to

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receive a five percent override on all sales and further, she filed defenses based upon the interpretation of the employment agreement executed between Paragon and her.

Respondent asserted a counterclaim to recover the damages she contended she suffered as a result of the failure and refusal of Paragon to pay her the override commission compensation, including the money she lost in attempting to locate a position after her departure from the Tampa office of Paragon.

Claimant denied all liability on Respondent's counterclaim and alleged that no misrepresentations of any kind were made to Respondent, that Respondent fully understood and agreed to the written contract before entering into it and that Respondent failed to perform her employment duties successfully.

RELIEF REQUESTED

Claimant requested damages in the sum of \$21,116.20 plus interest at the legal rate from January 6, 1995, the date of Respondent's resignation, and dismissal of Respondent's counterclaim.

Respondent requested that the Statement of Claim be dismissed in its entirety and that all costs and attorneys' fees be assessed against the Claimant. Respondent further requested an award on her counterclaim in an amount no less than \$50,000.00, punitive damages in the amount of \$250,000.00, attorneys' fees and costs, and such other and further relief as the panel deemed necessary and proper.

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 Regulation, Inc. copies of the Award while the

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions (if any), the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

All claims by all parties be and hereby are dismissed in all respects.

Each party shall bear their respective costs including attorneys' fees.

The Respondent's request for punitive damages is denied.

FORUM FEES

Pursuant to Section 10205 of the Code of Arbitration Procedure, forum fees in the sum of \$3,000.00 (\$750.00 x 4 sessions) are assessed as follows:

The Claimant is assessed the sum of \$1,500.00 less the \$300.00 previously deposited in partial satisfaction thereof leaving a balance due in the sum of \$1,200.00.

The Respondent is assessed the sum of \$750.00.

In addition, the Respondent is assessed the sum of \$500.00 representing the claim filing fee for the

counterclaim.

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

Concurring Arbitrators' Signatures

Name

Public/Industry

_____/S/_____
William G. Kline

Industry

_____/S/_____
Harold C. Anders

Industry

_____/S/_____
Robert Schwartz

Industry

Date of Decision: October 24, 1997

[Faint, mostly illegible text block containing various lines of text, possibly a decision or agreement, with some words like "may be entered" and "remain on file" visible.]