

AWARD

NASD REGULATION, INC.

In the Matter of the Arbitration Between

Name of Claimant

First Albany Corporation

vs.

Case No.  
96-00441

Name of Respondent

Michael T. McKeough

REPRESENTATION

For Claimant, First Albany Corporation ("Claimant"), Arthur F. Dicker, Esq., located in Delmar, New York.

Respondent, Michael T. McKeough ("Respondent"), was not represented by counsel at the hearing but appeared pro se and is located in New London, Connecticut.

CASE INFORMATION

Statement of Claim was filed on January 23, 1996.

Claimant's Submission Agreement was signed on January 18, 1996.

Statement of Answer was filed by Respondent on February 27, 1996.

Respondent's Submission Agreement was signed on February 26, 1996.

HEARING INFORMATION

Hearing Date/Session: November 5, 1996 - 1 session

Hearing Location: NASD Regulation offices, located at 260 Franklin Street, Boston, Massachusetts.

CASE SUMMARY

Claimant alleges that in connection with Respondent's employment with Claimant, Respondent secured a loan in the amount of \$80,000 and executed a Promissory Note to repay the loan plus interest at 6.5% per annum in four equal installments beginning June 19, 1993. Claimant also alleges that Respondent also entered into another Agreement which provided that Claimant would credit Respondent with a bonus offsetting his obligation under the loan provided that he remained in Claimant's employ on each due date of the loan until June 19, 1996. Claimant further alleges that pursuant to this Agreement, Respondent was credited with bonuses equal to his obligation under the loan plus interest during 1993, 1994 and 1995. However, Claimant asserts, Respondent resigned on October 27, 1995 and under the Note, the entire balance became due and payable. Claimant also asserts that the Agreement provided that Respondent was not entitled to any partial or prorated bonus and that the entire balance \$20,000.00 plus interest became due and payable. Claimant further asserts that despite demand for payment, Respondent

failed to pay any part of the Note.

Respondent contends that he negotiated with Mr. Thomas Hall, Claimant's branch manager to repay \$13,333.00 which was the amount remaining since Respondent left four months into his fourth year of employment with Claimant. Respondent also contends that he offered to pay this amount over a period of eighteen months beginning January 1, 1996 at \$750 per month and Claimant rejected this.

#### **RELIEF REQUESTED**

Claimant requests an award in the amount of \$20,000 plus interest at a rate of 6.5% per annum from June 19, 1995. Claimant also requests that Respondent repay Claimant all filing fees paid, attorney's fees, costs and for such other and further relief as the arbitrators deem just and appropriate.

Respondent requests an award in his favor.

#### **OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed that the Award in this matter may be executed in counterpart copies and have agreed to receive conformed copies of the Award while the original remain on file with the NASD Regulation Inc.

#### **AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is hereby liable and shall pay Claimant Thirteen Thousand, Three Hundred and Thirty Dollars and Zero Cents (\$13,330.00).
2. Respondent is also liable and shall pay Claimant \$1,500.00 in interest pursuant to the Agreement.
3. Respondent shall reimburse Claimant Forum Fees as reflected in the forum fees section of this decision.

#### **FORUM FEES**

Pursuant to Rule 10205(c) of the *Code of Arbitration Procedure*, the following Forum Fees are assessed against Respondent.


Non-refundable Filing Fee:	\$500.00
Hearing Session Fee:	\$600.00 ( 1 session @ \$600.00 per session)
Total Fees:	\$1,100.00

1. Claimant previously deposited \$1,100.00 and is entitled to a refund.
2. Respondent shall satisfy the fees assessed by reimbursing Claimant \$1,100.00.

ARBITRATION PANEL

Helen Ann Robichaud	-	Industry Chairperson
Mark J. Gianno, CPA	-	Industry Panelist
Francis C. Cleary, Jr., Esq.	-	Industry Panelist

Concurring Arbitrator's Signature

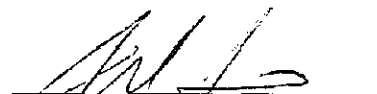
  
Francis C. Cleary, Jr., Esq.

Date of Decision: January 7, 1997

**ARBITRATION PANEL**

Helen Ann Robichaud	-	Industry Chairperson
Mark J. Gianni, CPA	-	Industry Panelist
Francis C. Cleary, Jr., Esq.	-	Industry Panelist

Concurring Arbitrator's Signature

  
Mark J. Gianni, CPA

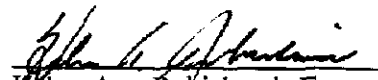
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- Industry Chairperson  
- Industry Panelist  
- Industry Panelist

Concurring Arbitrator's Signature

  
Helen Ann Robichaud, Esq.

Date of Decision: January 7, 1997