

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant(s)

PaineWebber Incorporated

Arbitration
No. 96-05080

Name of Respondent(s)

John C. Frohling

REPRESENTATION

For Claimant: Kathryn L. Krebs, Esq., PaineWebber Incorporated, Los Angeles, California

For Respondent: John B.M. Frohling, Esq., Frohling, Hudak & McCarthy, P.C., Roseland, New Jersey

CASE INFORMATION

Statement of Claim filed: November 13, 1996

Claimant's Submission Agreement signed: November 13, 1996

Respondent John C. Frohling did not file a Statement of Answer and Submission Agreement. However, Respondent Frohling is subject to NASD Regulation, Inc. (NASDR) jurisdiction in accordance with Section 10201 of the NASDR Code of Arbitration Procedure.

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s):
August 29, 1997 (one session)

Hearing Date(s)/Session(s): December 4, 1997 (one session)

Hearing Location: San Francisco, California

CASE SUMMARY

PaineWebber Incorporated (PaineWebber) alleged that Respondent John C. Frohling breached the terms of his Promissory Note #5920 (the Note). PaineWebber further alleged that during the time period Respondent Frohling was employed by PaineWebber, Frohling maintained a securities account solely in his name and alleged that at or about the time Frohling resigned from employment with PaineWebber, Frohling's account, FK-90001, was in deficit in the amount of \$2,636.98. PaineWebber further alleged that notwithstanding Frohling's awareness of the amount of this account deficit and his indebtedness to PaineWebber, Frohling has not compensated PaineWebber for any portion or all of this deficit amount.

RELIEF REQUESTED

PaineWebber requested an award in its favor against Respondent in the amount of at least \$28,085.98, plus interest, together with attorney's fees and costs, as well as any other just and equitable remedies as the Panel so provides.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent John C. Frohling did not appear at the evidentiary hearing held December 4, 1997. The panel of arbitrators determined that proper service and notice was effectuated with respect to Mr. Frohling and ruled to proceed in Mr. Frohling's absence.

The panel of arbitrators reviewed and considered Respondent's request for a pre-hearing conference of December 3, 1997. The panel denied the request.

Claimant agreed that the Award in this matter may be executed in either counterpart copies or that a handwritten, signed Award may be entered. In either case, Claimant agreed to receive conformed copies of the Award while the originals remain on file with NASDR.

The panel of arbitrators reviewed and considered the positions of the parties relative to Respondent Frohling's submission of December 4, 1997 setting forth Respondent's requests for a postponement of the hearing, a pre-hearing conference call, and an extension of time so that Respondent can file a proper and adequate Answer. The panel denied the requests contained in Respondent Frohling's submission of December 4, 1997.

AWARD

After considering the pleadings, the testimony, the evidence presented at the hearing and post-hearing submissions, the

undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent John C. Frohling is liable for and shall pay to PaineWebber Incorporated the sum of \$35,618.02. This award amount consists of compensatory damages in the amount of \$28,085.98, plus interest in the amount of \$3,932.04, plus filing fees and deposits in the amount of \$1,100.00, plus attorney's fees in the amount of \$2,500.00 awarded pursuant to the Default and Collection and Waivers clause contained in the Note.

2. The parties shall each bear any other respective costs incurred in this matter.

FORUM FEES

Pursuant to Section 10205(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASDR shall retain the \$600.00 hearing session deposit previously deposited by the Claimant as costs of this proceeding. No additional forum fees are assessed.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Frank Weaver, Esq.	Industry Arbitrator
Linda L. Blackwell	Industry Arbitrator
Anthony J. Nyberg	Industry Arbitrator

Concurring Arbitrators' Signatures

Frank Weaver, Esq.


Linda L. Blackwell

Anthony J. Nyberg

Date of Decision: _____

Date Served: January 23, 1998

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