

STIPULATED AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

_____/

In the Matter of the Arbitration Between:

PAINEWEBBER INCORPORATED,

Claimant,

NASD

CASE NO. 98-00647

and

ROBERT FRONJIAN,

Respondent.

_____ /

REPRESENTATION OF PARTIES

For Claimant PaineWebber Incorporated appeared Lisa Catalano Tillem of PaineWebber Incorporated in Weehawken, New Jersey.

Respondent Robert Fronjian appeared pro se.

CASE INFORMATION

The Statement of Claim was filed February 11, 1998.

Claimant's Submission Agreement was signed on February 11, 1998.

Claimant filed an amendment to the Statement of Claim on August 19, 1998.

Claimant filed a Motion to Bar Defenses and for Award by Default on September 23, 1998.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 11, 1998, Claimant PaineWebber Incorporated, by and through its attorney, sought to enforce a settlement agreement orally agreed to between the parties wherein Respondent agreed to pay PaineWebber the sum of \$24,762.56 in satisfaction of a balance owed to PaineWebber of \$29,006.71 with respect to Employee Forgivable Loan ("EFL") extended to Respondent by PaineWebber during his employment. By way of

amendment dated August 19, 1998, Claimant requested alternative relief of enforcement of the original amount owed under the EFL of \$29,006.71.

RELIEF REQUESTED

Claimant originally requested compensatory damages of \$24,762.56 with respect to the oral settlement reached between the parties or, in the alternative, compensatory damages of \$29,006.71 representing the amount owed by Respondent to Claimant pursuant to an Employee Forgivable Loan.

Prior to the arbitration hearing, Claimant and Respondent agreed to settle all claims and jointly request that the arbitration panel enter an award as agreed to by the parties in the attached Stipulation For Entry of Arbitration Award, annexed hereto as Exhibit "A".

AWARD

After considering the stipulation of the parties to the entry of the following terms, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Robert Fronjian shall pay to PaineWebber the sum of \$10,000.00 plus 8% interest on any sum paid in monthly installments in the following manner as set forth in the promissory note annexed hereto as Exhibit "A":

(a) \$1,500.00 to be paid on or before January 20, 1999;

(b) the remaining \$8,500.00 plus 8% interest to be paid in 36 monthly installments of \$266.50 thereafter commencing on March 1, 1999.

2. Fronjian is entitled to a ten day grace period for each payment referred to in paragraph 1 (b) above. Each payment shall be made payable to "PaineWebber Incorporated" and shall be sent to: Mr. Robert L. Lapp, c/o PaineWebber Incorporated, Asset Protection and Recovery Department, 1000 Harbor Blvd., 3rd Floor, Weehawken, N.J. 07087, unless Fronjian is given advance written notice of contrary mailing instructions.

3. The respective claims of the parties are hereby dismissed with prejudice. Each party shall bear their own costs in this proceeding including attorney's fees. The NASD is directed to close this file and remit to the parties any refundable forum fees or hearing session deposits to the extent allowable by the rules.

4. PaineWebber may file a Motion to Confirm Arbitration Award pursuant to 9 U.S.C. section 9 in a court of competent jurisdiction at anytime. If Fronjian fails to make any of the above payments in accordance with the terms contained herein, then he

shall be in default of this Agreement and PaineWebber may execute upon the judgment. If PaineWebber files an action to enforce this Agreement or any judgment in relation thereto, PaineWebber shall recover from Fronjian its costs of seeking enforcement, including post judgment costs, plus attorneys fees.

FORUM FEES

Claimant has agreed to pay to the NASD Regulation Inc. Office of Dispute Resolution the pre-hearing fee of \$600.

Concurring Arbitrators' Signatures:


Jerome H. Levy

Jerome H. Levy
Presiding Chair, Industry Arbitrator


Dated:

May 18, 1999

Laurie A. Giolito, Esq.

Laurie A. Giolito, Esq.
Industry Arbitrator

Edith M. Gunn



Edith M. Gunn
Industry Arbitrator

May 18, 1999

NASD STIPULATED AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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PAINEWEBBER INCORPORATED,

Claimant,

NASD

CASE NO. 98-00647

and

ROBERT FRONJIAN,

Respondent.

STIPULATION FOR ENTRY OF ARBITRATION AWARD

IT IS HEREBY STIPULATED AND AGREED by and between Claimant, PaineWebber Incorporated ("PaineWebber") and Respondent, Robert Fronjian ("Fronjian") that the arbitrators selected to hear the above-styled case approve this Stipulation as an Agreed Award. The parties have agreed to the following terms:

1. Robert Fronjian shall pay to PaineWebber the sum of \$10,000.00 plus 8% interest on any sum paid in monthly installments in the following manner as set forth in the promissory note annexed hereto as Exhibit "A":

(a) \$1,500.00 to be paid on or before January 20, 1999;

(b) the remaining \$8,500.00 plus 8% interest to be paid in 36 monthly installments of \$266.50 thereafter commencing on March 1, 1999.

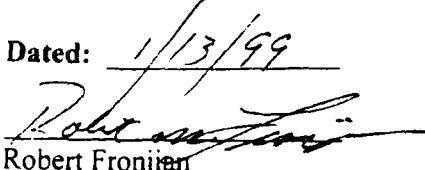
2. Fronjian is entitled to a ten day grace period for each payment referred to in paragraph 1 (b) above. Each payment shall be made payable to "PaineWebber Incorporated" and shall be sent to: Mr. Robert Knapp, c/o PaineWebber Incorporated, Asset Protection and Recovery Department, 1000 Harbor Blvd., 3rd Floor, Weehawken, N.J. 07087, unless Fronjian is given advance written notice of contrary mailing instructions.

3. The respective claims of the parties are hereby dismissed with prejudice. Each party shall bear their own costs in this proceeding including attorney's fees. The NASD is directed to close this file and remit to the parties any refundable forum fees or hearing session deposits to the extent allowable by the rules.

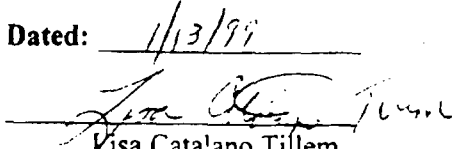
4. PaineWebber may file a Motion to Confirm Arbitration Award pursuant to 9 U.S.C. section 9 in a court of competent jurisdiction at anytime. If Fronjian fails to make any of the above payments in accordance with the terms contained herein, then he shall be in default of this Agreement and PaineWebber may execute upon the judgment. If PaineWebber files an action to enforce this Agreement or any judgment in relation thereto, PaineWebber shall recover from Fronjian its costs of seeking enforcement, including post judgment costs, plus attorneys fees.

READ AND AGREED TO:

Dated: 1/13/99


Robert Fronjian
409 Washington Street
#126
Hoboken, NJ 07030

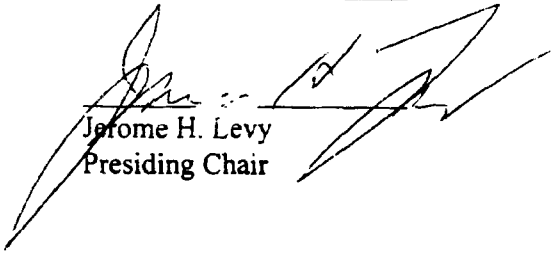
Dated: 1/13/99


Lisa Catalano Tillem
Attorney for PaineWebber
1200 Harbor Blvd.
10th Floor
Weehawken, NJ 07087

SO ORDERED:

Arbitrators:

Dated: May 18, 1999


Jerome H. Levy
Presiding Chair

Dated: _____

Laurie A. Giolito, Esq.
Arbitrator

Dated: ²⁰May 18, 1999

Edith M. Gunn

Edith M. Gunn
Arbitrator

EXHIBIT "A"

PROMISSORY NOTE

\$10,000.00

January 13, 1999

FOR VALUE RECEIVED, the undersigned, ROBERT FRONJIAN (hereinafter referred to as "Fronjian" or "Maker") promises to pay to PaineWebber Incorporated or its designated assignee, as the case may be (hereinafter collectively referred to as "Payee") on order, the principal sum of TEN THOUSAND DOLLARS (\$10,000.00) plus 8% interest on any sum being paid in monthly installments. The principal sum plus 8% interest is the maximum amount of principal to be borrowed hereunder at any one time. Principal shall be payable as follows:

the first payment of principal in the amount of Fifteen Hundred Dollars (\$1,500.00) shall be due on or before January 20, 1999. Thereafter, Fronjian shall make 36 monthly payments in the amount of \$266.50 commencing on March 1, 1999.

If Fronjian fails to make payment of any installment, if any, or any part thereof under this Promissory Note within ten (10) days after the due date of any installment, then in any such event Payee will have all the remedies available to it pursuant to the Settlement Agreement and Release executed of even date herewith by and between Fronjian and Payee, and the Stipulation for Entry of Arbitration Award executed of even date herewith by Fronjian (hereinafter collectively referred to as the "Settlement Documents"), all such Settlement Documents being incorporated herein by reference as if fully set out word for word.

Except as expressly provided herein, Fronjian waives demand for payment, presentment for payment, protest, notice of nonpayment or dishonor, notice of intent to accelerate, notice of acceleration, diligence in collecting, grace, notice and protest, and consent to all extensions without notice for any period or periods of time and partial payments, before or after maturity, without prejudice to the holder. The Payee shall similarly have the right to deal in any way, at any time, with any party, without giving notice to any other party, and to grant any such party any extensions of time for payment of any of said indebtedness, or to grant any other indulgences or forbearances whatsoever, without notice to any other party and without in any way affecting the personal liability of any party hereunder, or any guarantor of the indebtedness evidenced hereby.

The Promissory Note may not be terminated orally, but only by a discharge in writing signed by Payee at the time such discharge is sought.

In the event the enforceability or validity of any provision of this Promissory Note or of any document evidencing or securing the indebtedness represented by this Promissory Note is challenged or questioned, such provision shall be governed by, and shall be construed in accordance with, whichever applicable federal or New York law that would uphold or would enforce such challenged or questioned provision.

Any notice required or permitted to be given hereunder shall be in writing and shall be considered properly given if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, or by delivering same in person to the intended addressee or by deposit in the United States mail. Notice given in any other manner shall be effective only if and when received by the addressee. For purposes of notice, the addresses of the parties shall be set forth below; provided, however, that any party shall have the right to change such party's address for notice hereunder to any other location within the continental United States by the giving of thirty (30) day notice to all other parties in the manner set forth hereinabove:

If to Maker: Robert Fronjian
409 Washington Street
#126
Hoboken, NJ 07030

If to Payee: Robert Knapp
Director
Paine Webber, Incorporated
1000 Harbor Blvd., 3rd Floor
Asset Protection & Recovery Dept.
Weehawken, NJ 07087

Maker shall have the right to prepay the indebtedness evidenced hereby, without penalty or premium at any time and from time to time during the term of the loan.

It is understood and agreed that the legality, enforceability and construction of this Promissory Note shall be governed by New York law and to the extent applicable, by the laws of the United States of America.

IN WITNESS WHEREOF, the Maker has duly executed this Promissory Note as of the day and year above first written.

MAKER:


Robert Fronjian

STATE OF NEW JERSEY)
) SS:
COUNTY OF HUDSON)

On this 13th day of January, 1999, before me, Maureen Vollers, a Notary Public in and for said state, personally appeared Robert Fronjian, known to me to be the person who executed

the above Promissory Note, and acknowledged to me that he executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.



Notary Public

My Commission Expires:

MAUREEN VOLLERS
Notary Public, State of New Jersey
No. 2100308

Qualified in Hudson County
Commission Expires May 16, 2012