

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:
Dennis J. Carothers, Claimant vs. PaineWebber Incorporated, Respondent.

Case Number: 99-01241

Hearing Site:

REPRESENTATION OF PARTIES

Claimant, Dennis J. Carothers, (hereinafter referred to as "Claimant"): Vincent Zuccaro, Esq., 101 Continental Place, Suite 111, Brentwood, TN 37027.

Respondent, PaineWebber, Incorporated (hereinafter referred to as "Respondent"): Mark S. Askanas, Esq., Jackson, Lewis, Schnitzler & Krupman, 199 Fremont Street, Spear Tower, San Francisco, CA 94105.

CASE INFORMATION

Statement of Claim filed on or about: March 17, 1999
Claimant signed the Uniform Submission Agreement: February 6, 1999
Statement of Answer filed by Respondent on or about: June 18, 1999
Respondent signed the Uniform Submission Agreement: June 17, 1999

CASE SUMMARY

Claimant asserted the following causes of action: That his Form U-4 Agreement be amended to remove a customer complaint filed by a former client against Claimant at the time he was employed by the Respondent.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: The claims fail to state a claim upon which relief can be granted; the claims are barred by the applicable statute of limitations and by Rule 10304 of the NASD Code of Arbitration Procedure; the claims are barred by the doctrines of waiver, estoppel and/or laches; the claims are barred by the applicable statute of frauds, and by the express terms of contract; Claimant's claims were proximately caused by his own conduct; Claimant failed to mitigate his alleged damages and Claimant's claims are barred by the release he signed as part of his Form U-4 Agreement with Respondent.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages

\$400,000

Non-Monetary Relief

Specific performance to amend the
Form U-4 Agreement.

Respondent requested:

Monetary/Non-Monetary Relief

That all claims be dismissed with
prejudice, costs assessed against
Claimant and the award of such other
relief as allowed by law or equity,
including the recovery of legal fees.

OTHER ISSUES CONSIDERED AND 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.

AWARD

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

1. Claimant shall not recover any damages from Respondent.
2. All other claims are denied in their entirety, except as provided in paragraph 4 below.
3. Respondent shall pay all forum fees due in this matter.
4. The Panel recommends that the registration records that are maintained by the NASD Central Registration Depository ("CRD"), be expunged as to any information contained in a filing made by Respondent as to Claimant, with the understanding that pursuant to NASD Notice to Members 99-09, Claimant must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$500

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1500
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$2500
Total Member Fees	= \$4600

Adjournment Fees

Adjournments requested during these proceedings:

May 23, 2000-May 24, 2000 by Respondent = \$ 750

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) Pre-hearing sessions with Panel x \$750	= \$2250
Pre-hearing conferences: February 14, 2000	1 session
April 5, 2000	1 session
July 10, 2000	1 session

Six (6) Hearing sessions x \$750	= \$4500
Hearing Dates: October 3, 2000	2 sessions
October 4, 2000	2 sessions
October 5, 2000	2 session

Total Forum Fees = \$6750

The Panel has assessed \$6750 of the forum fees to Respondent.

Fee Summary

Claimant is hereby solely liable for:

Initial Filing Fee	= \$ 500
Total Fees	= \$ 500
Less payments	= \$ 1250
Refund	(= \$ 750)

Award Page 4 of 5

Balance Due NASD Dispute Resolution, Inc. = \$ 6750

All balances are due to NASD Dispute Resolution, Inc. Inc. and are payable within 30 days of the service date of this Award.

NASD Dispute Resolution, Inc.
Arbitration No. 99 01241
Award Page 5 of 5

Concurring Arbitrators' Signature



Gerald D. Wygant, Esq.
Public Arbitrator, Presiding Chair

11-2-00

Signature Date

O. Meredith Wilson, Jr., Esq.
Public Arbitrator

Signature Date

Daniel Dunnington
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

Date Served:

NOV 3 2000

NASD Dispute Resolution, Inc.
Arbitration No. 99-01241
Award Page 5 of 5

Concurring Arbitrators' Signature

Gerald D. Wygant, Esq.
Public Arbitrator, Presiding Chair

Signature Date

O. Meredith Wilson, Jr.
O. Meredith Wilson, Jr., Esq.
Public Arbitrator

11-1-00
Signature Date

Daniel Dunnington
Daniel Dunnington
Industry Arbitrator

11-2-00
Signature Date

Date of Service (For NASD office use only)

Date Served:

NOV 3 2000