

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between: Suntrust Bank Nashville, N.A., Suntrust Securities, Inc. (Claimants) vs. PaineWebber, Inc., Jeffrey Scott Goodman and Stanley Michael Shelley (Respondents).

Case Number: 99-03211

Hearing Site: Nashville, TN

REPRESENTATION OF PARTIES

Claimants, Suntrust Bank Nashville, N.A. ("Suntrust Bank") and Suntrust Securities, Inc. ("Suntrust Securities"), hereinafter collectively referred to as "Claimants": Steven E. Groom, Esq., Farris, Warfield & Kanady, PLC., Nashville, TN.

Respondents, PaineWebber Inc. ("PaineWebber"), Stanley M. Shelley ("Shelley") and Jeffrey S. Goodman ("Goodman"), hereinafter collectively referred to as "Respondents": H. Naill Falls, Falls, Ramsey & Veach, Nashville, TN.

CASE INFORMATION

Statement of Claim filed on or about: July 14, 1999

Claimant, Suntrust Bank, Nashville, N.A. and Suntrust Securities, Inc., signed the Uniform Submission Agreement: July 9, 1999 by Eddie C. Nichole its Group Vice President.

Statement of Answer filed by Respondents, PaineWebber, Inc., Jeffrey S. Goodman, and Stanley M. Shelley on or about: July 19, 1999

The NASD has no record of Respondents PaineWebber, Inc., Jeffrey S. Goodman, and Stanley M. Shelley filing a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: Breach of nonsolicitation agreements, code of conduct and fiduciary duties, misappropriation of confidential information, conversion and property theft; conspiracy, interference with and inducement to breach non solicitation agreements, code of conduct and fiduciary duties; breach of hiring agreement .

Unless specifically admitted in its Answer, Respondents PaineWebber Inc., Jeffrey S. Goodman and Stanley M. Scott denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimants Suntrust Bank Nashville N.A. and Suntrust Securities Inc. requested:

Compensatory Damages	\$50,000.00
Punitive Damages	\$150,000.00
Interest	\$14,167.00
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	unspecified

Respondents PaineWebber, Jeffrey S. Goodman and Stanley M. Shelley requested:

Compensatory Damages	unspecified
Punitive Damages	unspecified
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	unspecified

OTHER ISSUES CONSIDERED AND DECIDED

Respondents PaineWebber, Jeffrey S. Goodman and Stanley M. Shelley did not file with the NASD Regulation, Inc. Office of Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Arbitration Panel on all issues submitted.

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, and the post-hearing submissions, the Arbitration Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That PaineWebber Inc. Jeffrey S. Goodman and Stanley M. Shelley are enjoined from: (a) directly or indirectly soliciting, attempting to solicit, or accepting the business of any client to whom Claimants rendered services or any prospective client who acknowledged in writing an intention to engage the professional services of Claimants at any time on or within two years before June 18, 1999, within the counties of Cheatham, Davidson, Dickson, Coffee, Franklin,

Giles, Hardin, Lawrence, Murray, Robertson, Rutherford, Shelby, Sumner, Williamson and Wilson, Tennessee, except for those sixteen customers identified in Tab 16(C) paragraph 11 of Claimants' Arbitration Exhibits ("Claimants' Clients"); or (b) directly or indirectly soliciting or encouraging any of Claimants' employees to leave Claimants' employ or hiring any former employee of Claimants within six months after the date such person ceases to be employed by Claimants; and (c) mandating that Respondents immediately return to Claimants all originals, copies or summaries of any confidential or proprietary documents, software or information of Claimants or any Claimants' Clients, including but not limited to the information contained in Tabs 11 and 13 of Claimants' Arbitration Exhibits; and

2. That Respondents PaineWebber, Inc., Jeffrey S. Goodman and Stanley M. Shelley are jointly and severally liable for and shall pay Claimants twenty thousand dollars (\$20,000.00) in compensatory damages; and
3. That Respondents PaineWebber, Inc., Jeffrey S. Goodman and Stanley M. Shelley are jointly and severally liable for and shall pay Claimants twenty five thousand dollars (\$25,000.00) in punitive damages. In granting the request for punitive damages, the panel reviewed and considered the pleadings, briefs, oral arguments, and statutory and case law submitted by the parties and find that authority for the award of punitive damages exists; and
4. That Respondent PaineWebber, Inc. is liable for and shall pay Claimants sixty thousand dollars (\$60,000.00) in treble damages. In granting the request for treble damages, the panel reviewed and considered the pleadings, briefs, oral arguments, and statutory and case law submitted by the parties and find that authority for the award of treble damages exists; and
5. That Respondents PaineWebber, Inc., Jeffrey S. Goodman and Stanley M. Shelley are jointly and severally liable for and shall pay Claimants forty five thousand dollars (\$45,000.00) in attorney's fees. In granting the request for attorney's fees, the panel reviewed and considered the pleadings, briefs, oral arguments, and statutory and case law submitted by the parties and find that authority for the award of attorney's fees exists; and
6. That Respondent Stanley M. Shelley is liable for and shall pay Claimants five hundred forty dollars and fifty two cents (\$540.52) for his corporate credit card balance and fourteen thousand one hundred sixty seven dollars (\$14,167.00) for his signing bonus; and
7. That Jeffrey S. Goodman is liable for and shall pay Claimants one thousand six hundred fifty nine dollars and three cents (\$1,659.03) for his corporate credit card balance; and
8. That other than forum fees, which are assessed below, all other requests for relief not specifically awarded are dismissed and denied in their entirety.

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 = \$1000.00

Member Fees

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

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$2,500.00

Adjournment Fees

No adjournments requests were granted during these proceedings.

Forum Fees and Assessments

The Arbitration 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:

One (1) Pre-hearing session with Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: July 27, 1999	1 session
Four (4) Hearing sessions x \$1,125.00	= \$4,500.00
Hearing Dates: August 26, 1999	2 sessions
August 27, 1999	2 session
Total Forum Fees	= \$5,625.00

1. The Arbitration Panel has assessed \$1,125.00 of the forum fees jointly and severally to Claimants, Suntrust Bank Nashville N.A. and Suntrust Securities, Inc.
2. The Arbitration Panel assessed \$4,500.00 of the forum fees jointly and severally to Respondents, PaineWebber, Inc. Jeffrey S. Goodman and Stanley M. Goodman.

Fee Summary

1. Claimant, Suntrust Securities, Inc. be and hereby is solely liable for:
Injunctive Fees = \$2,500.00

Member Fees	= \$4,600.00
Adjournment Fee	= \$0
<u>Administrative Costs</u>	= \$0
Total Fees	= \$7,100.00
<u>Less payments</u>	= \$4,000.00
Balance Due NASD Regulation, Inc.	= \$3,100.00

2. Claimants, Suntrust Bank Nashville, N.A. and Suntrust Securities Inc. be and hereby are jointly and severally liable for:

Forum Fees	= \$1,125.00
Filing Fee	= \$1,000.00
Total Fees	= \$2,125.00
<u>Less payments</u>	= \$2,125.00
Balance Due NASD Regulation, Inc.	= \$0

3. Respondent, PaineWebber, Inc. be and hereby is solely liable for:

Member Fees	= \$4,600.00
Adjournment Fee	= \$0
Forum Fees	= \$0
<u>Administrative Costs</u>	= \$0
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$1,500.00
Balance Due NASD Regulation, Inc.	= \$3,100.00

4. Respondents, PaineWebber, Inc., Jeffrey S. Goodman and Stanley M. Shelley be and hereby are jointly and severally liable for:

Forum Fees	= \$4,500.00
<u>Less Payments</u>	= \$0
Balance Due NASD Regulation, Inc.	= \$4,500.00

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

Concurring Arbitrators' Signatures

/s/ F. Wesley Bowers

October 11, 1999

F. Wesley Bowers
Public Arbitrator, Presiding Chair

Signature Date

/s/ Randall S. Strause

October 18, 1999

Randall S. Strause
Public Arbitrator

Signature Date

/s/ Harvey W. McDonald

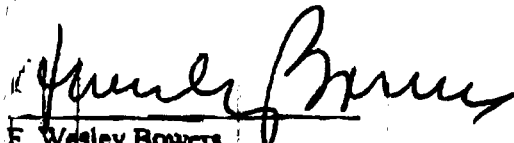
October 11, 1999

Harvey W. McDonald
Industry Arbitrator

Signature Date

10/18/99
Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures


F. Wesley Bowers
Public Arbitrator, Presiding Chair

Oct 11, 1999
Signature Date

Randall S. Strause
Public Arbitrator

Signature Date

Harvey W. McDonald
Industry Arbitrator

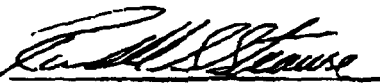
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Public Arbitrator



Signature Date

Harvey W. McDonald
Industry Arbitrator

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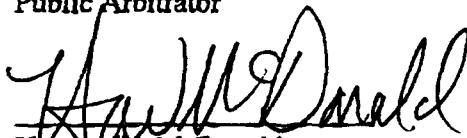
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Public Arbitrator

Signature Date


Harvey W. McDonald
Industry Arbitrator

10/11/99
Signature Date

Date of Service (For NASD office use only)