

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

First Union Securities, Inc., (Claimant) vs. Steve A. Norton, (Respondent)

Case Number: 01-01481

Hearing Site: Boston, Massachusetts

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**REPRESENTATION OF PARTIES**

Claimant, First Union Securities, Inc., hereinafter referred to as "Claimant": Diane C. Fischer, Esq. and Ronald P. Kane, Esq., Kane & Fischer, Ltd., Chicago, IL. Previously represented by: Renan I. Sugarman, Esq., Senior Vice President and Assistant General Counsel, First Union Securities, Inc., Chicago, IL.

Respondent, Steve A. Norton, hereinafter referred to as "Respondent": William A. Jacobson, Esq., Kaplan & Jacobson Inc., Providence, RI. Mr. Norton originally appeared *pro se*.

**CASE INFORMATION**

Statement of Claim filed on or about: March 23, 2001.

Amended Statement of Claim filed on or about: June 25, 2001.

Claimant signed the Uniform Submission Agreement: March 22, 2001.

Statement of Answer filed by Respondent on or about: May 22, 2001.

Respondent signed the Uniform Submission Agreement: May 22, 2001.

**CASE SUMMARY**

Claimant asserted the following causes of action: breach of two promissory notes.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Respondent was hired to work for Everen Securities, which was later taken over by Claimant; even after deducting a signing bonus and the normal costs of a broker, it is clear that Claimant profited financially from Respondent's employment; Claimant did nothing to earn Respondent's loyalty or clients, and was not part of Respondent's employment agreement in 1998; and Respondent exceeded all expectations and responsibilities owed to Claimant.

**RELIEF REQUESTED**

Claimant requested:

- a. Compensatory damages in the amount of \$92,721.80, representing the principal balance due and owing under Note 1;
- b. Interest accrued during the term of Note 1, at the contract rate of 7%, totaling \$142.24;
- c. Interest at the lesser of (i) the prime rate per annum of Harris Bank and Trust Company of Chicago, Illinois or its successor(s), as adjusted from time to time, plus two percentage points, or (ii) the highest rate permitted by law, on the balance due and owing under Note 1 from February 18, 2000 to the date of payment;
- d. Compensatory damages in the amount of \$55,837.47, representing the principal balance due and owing under Note 2;
- e. Interest accrued during the term of Note 2, at the contract rate of 6%, totaling \$73.44;
- f. Interest at the lesser of (i) the prime rate per annum of Harris Bank and Trust Company of Chicago, Illinois or its successor(s), as adjusted from time to time, plus two percentage points, or (ii) the highest rate permitted by law, on the balance due and owing under Note 2 from February 18, 2000 to the date of payment;
- g. The costs of collection and of this proceeding, including attorneys' fees, as agreed to under the terms of Note 1 and Note 2; and
- h. Any other relief that the Panel deems just and equitable.

Respondent did not make any relief requests in his Statement of Answer.

**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. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$148,559.27 as compensatory damages, plus interest in the amount of \$22,459.41.
2. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$6,519.00 as attorneys' fees. The Panel awarded attorneys' fees pursuant to the terms of the promissory notes executed by Respondent.
3. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$7,240.07 as costs. The Panel awarded costs pursuant to the terms of the promissory notes executed by Respondent.
4. All other requests for relief are hereby denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee	= \$1,000.00
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#### **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, First Union Securities, Inc. is a party.

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

**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:

One (1) Pre-hearing session with Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: August 22, 2001	1 session
One (1) Hearing session x \$1,125.00	= \$1,125.00
Hearing Date: October 26, 2001	1 session
Total Forum Fees	= \$2,250.00

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The Panel has assessed all of the forum fees against Respondent.

**Fee Summary**

1. Claimant be and hereby is solely liable for:	
Initial Filing Fee	= \$1,000.00
Member Fees	= \$4,600.00
Total Fees	= \$5,600.00
Less payments	= \$4,225.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,375.00
2. Respondent be and hereby is solely liable for:	
Forum Fees	= \$2,250.00
Total Fees	= \$2,250.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,250.00

All balances are due and payable to NASD Dispute Resolution, Inc.

**ARBITRATION PANEL**

Michael B. O'Toole	-	Industry Arbitrator, Presiding Chair
Richard Lee Rotnem	-	Industry Arbitrator
James E. Fox	-	Industry Arbitrator

**Concurring Arbitrators' Signatures**

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Michael B. O'Toole  
Industry Arbitrator, Presiding Chair

11-27-01  
Signature Date

Richard Lee Rotnem  
Industry Arbitrator

Signature Date

James E. Fox  
Industry Arbitrator

Signature Date

December 4, 2001  
Date of Service (For NASD office use only)

**ARBITRATION PANEL**


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Signature Date

  
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Industry Arbitrator

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James E. Fox  
Industry Arbitrator

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Industry Arbitrator

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James E. Fox  
Industry Arbitrator

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Signature Date

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December 4, 2001  
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