

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

RBC DAIN RAUSCHER, INC.,
Claimant/Counter Respondent,

NASD Case No. 02-06605

and

JAYICE PEARSON,
Respondent/Counter Claimant.

Hearing Site: Kansas City, Missouri

REPRESENTATION OF PARTIES

Claimant/Counter Respondent RBC Dain Rauscher, Inc. ("RBC Dain Rauscher") was represented by Jonathan M. Harris and Nicole M. Siemens of Lindquist & Vennum P.L.L.P. located in Minneapolis, Minnesota.

Respondent/Counter Claimant Jayice Pearson ("Pearson") was represented by George A. Barton of the Law Offices of George A. Barton, P.C. located in Kansas City, Missouri.

CASE INFORMATION

RBC Dain Rauscher's Statement of Claim was filed on October 11, 2002. Submission Agreement of RBC Dain Rauscher was submitted on October 4, 2002. RBC Dain Rauscher filed a Statement of Answer to Counterclaim on June 27, 2003.

The Statement of Answer was filed by Pearson on January 13, 2003. Submission Agreement of Pearson was submitted on February 17, 2003. Pearson filed a Counterclaim on June 6, 2003.

CASE SUMMARY

RBC Dain Rauscher alleged that Pearson was in default on a promissory note Pearson executed on December 15, 2000. RBC Dain Rauscher requested the Panel to enter an award in its favor in the amount of \$150,000.00 plus interest at a rate of 5.79 percent, as well as costs and attorney's fees.

Pearson denied the allegations set forth in the Statement of Claim. Pearson stated that RBC Dain Rauscher was not entitled to the relief it sought because: 1) RBC Dain Rauscher made material misrepresentations of fact to induce Pearson to join RBC Dain Rauscher; 2) RBC Dain Rauscher intentionally terminated Pearson; and 3) Pearson conferred a material benefit on RBC Dain Rauscher which created a setoff to RBC Dain Rauscher's alleged damages.

Pearson also asserted a counterclaim for unjust enrichment and quantum meruit, to operate as a setoff against any recovery by RBC Dain Rauscher in this arbitration.

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Unless specifically admitted in its Statement of Answer to Counterclaim, RBC Dain Rauscher denied the allegations made in the Counterclaim and asserted the following affirmative defenses: Pearson failed to mitigate damages; Pearson's claim is barred in whole or in part because of his own negligence or other fault; and Pearson is estopped by his own actions from asserting the claims in the Counterclaim.

RELIEF REQUESTED

RBC Dain Rauscher requested an award in the amount of \$150,000.00, interest thereon at a rate of 5.79 percent, and costs and attorney's fees incurred as a result of this arbitration.

Pearson requested that the Panel determine that RBC Dain Rauscher take nothing on its Statement of Claim, that the costs and expenses of this arbitration, including attorney's fees, be assessed against RBC Dain Rauscher.

OTHER ISSUES CONSIDERED AND DECIDED

Pursuant to Rule 10328(c), the panel accepted Pearson's Counterclaim.

AWARD

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

1. Jayice Pearson is liable for and shall pay to RBC Dain Rauscher, Inc. the sum of \$112,500.00 as compensatory damages.
2. Jayice Pearson is liable for and shall pay to RBC Dain Rauscher, Inc. the sum of \$8,263.00 as interest.
3. Any and all claims asserted by Jayice Pearson's against RBC Dain Rauscher, Inc. are denied.
4. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
5. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorney's fees.

FEES

Pursuant to the Code, the following fees are assessed:

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Filing Fees

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

Initial claim filing fee	= \$1,000.00
Counterclaim filing fee	= \$ 250.00

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. Accordingly, RBC Dain Rauscher, Inc. is assessed the following fees:

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00
Total	= \$5,200.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 a single arbitrator at \$450.00	= \$ 450.00
Pre-hearing conference: September 4, 2003	1 session
One (1) Pre-hearing session with Panel at \$1,125.00	= \$1,125.00
Pre-hearing conference: July 1, 2003	1 session
Three (3) Hearing sessions at \$1,125.00	= \$4,500.00
Hearing Dates: September 17, 2003	2 sessions
September 18, 2003	1 session
Total Forum Fees	= \$6,075.00

1. The Panel has assessed \$3,037.50 of the forum fees to RBC Dain Rauscher.
2. The Panel has assessed \$3,037.50 of the forum fees to Pearson.

FEE SUMMARY

1. RBC Dain Rauscher, Inc. is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,200.00
Forum Fees	= \$ 3,037.50
Total Fees	= \$ 9,237.50
Less payments	= \$ 7,325.00
Balance Due NASD Dispute Resolution	= \$ 1,912.50

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2. Jayice Pearson is solely liable for:

Counterclaim filing fee	= \$ 250.00
<u>Forum Fees</u>	= \$ 3,037.50
<u>Total Fees</u>	= \$ 3,287.50
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 3,287.50

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Lonnie L. Cunningham	-	Public Arbitrator, Presiding Chairperson
Marshall E. Talbot	-	Public Arbitrator
Thomas P. Hoover	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Lonnie L. Cunningham

10/31/03

Lonnie L. Cunningham
Public Arbitrator, Presiding Chairperson

Signature Date

/s/ Marshall E. Talbot

10/29/03

Marshall E. Talbot
Public Arbitrator

Signature Date

/s/ Thomas P. Hoover

10/30/03

Thomas P. Hoover
Non-Public Arbitrator

Signature Date

11/03/03

Date of Service (For NASD Dispute Resolution office use only)