

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

McDonald Investment, Inc.

and

02-06808
Louisville, Kentucky

Name of Respondent

Steven R. Taylor

REPRESENTATION OF PARTIES

McDonald Investment, Inc., hereinafter referred to as ("**Claimant**") was represented by Matthew J. Morelli, Esq., of the firm Ulmer & Berne LLP., Cleveland, Ohio.

Steven R. Taylor, hereinafter referred to as ("**Respondent**") appeared pro se.

CASE INFORMATION

The Statement of Claim was filed by McDonald Investment, Inc. on or about November 11, 2002. The Submission Agreement of Claimant McDonald Investment, Inc. was signed on or about October 17, 2002. The Claimant's Response to the Counterclaim was filed on or about January 17, 2003.

The Statement of Answer was filed by Respondent Steven R. Taylor on or about January 7, 2003. The Submission Agreement of Respondent Steven R. Taylor was signed on or about January 5, 2003. The Counterclaim was filed on or about January 8, 2003.

CASE SUMMARY

Claimant McDonald Investment, Inc. alleged that Respondent Steven R. Taylor has failed to honor his obligations under the Employment Loan Agreement.

Respondent Steven R. Taylor denied the allegations set forth in the Statement of Claim and states as follows:

Respondent specifically denies the claim stating that the claimants' negligent and/or intentional misrepresentations/omissions during the recruiting process, breach of employment agreement, both written and oral, wrongful misappropriation of

Respondents interest in clients accounts that Respondent transferred to McDonald prior to Respondents' termination and fraud.

RELIEF REQUESTED

Claimant requested an award against Respondent for the following:

1. The principal balance due and owing under the Loan Agreement in the sum of \$140,000.
2. Pre and post judgment interest at the statutory rate of ten (10) percent;
3. The cost of collection and of this proceeding, including attorneys; fees; and,
4. Any other relief as the arbitrators deem just.

Respondent requested that the claims asserted against him be denied in their entirety and that he be awarded actual damages from McDonald of not less than \$400,000 plus punitive damages at the discretion of the panel.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, if any, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Steven R. Taylor is liable for and shall pay to Claimant McDonald Investments, Inc. the sum of \$20,000.00 as compensatory damages.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto including punitive damages and attorney's fees are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$1,000.00
Counter claim filing fee = \$300.00

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. In this matter, the member firm is McDonald Investment, Inc.

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

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 conferences: May 28, 2003 1 session

Two [2] Hearing sessions x \$1,125.00 = \$2,250.00
Hearing Date: September 17, 2003 2 sessions

Total Forum Fees = \$3,375.00

The Arbitration Panel has assessed \$1,687.50 of the forum fees to McDonald Investment, Inc.
The Arbitration Panel has assessed \$1,687.50 of the forum fees to Steven R. Taylor.

Claimant, McDonald Investment, Inc. shall be and hereby is liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00
<u>Forum Fees</u>	= \$1,687.50
Total Fees	= \$7,887.50
<u>Less payments</u>	= \$7,325.00
Balance Due NASD Dispute Resolution	= \$ 562.50

Respondent, Steven R. Taylor, shall be and hereby is liable for:

Type Filing Fee	= \$300.00
<u>Forum Fees</u>	= <u>\$1,687.50</u>
Total Fees	= \$1,987.50
<u>Less payments</u>	= <u>\$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 562.50

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

ARBITRATION PANEL

Phillip Barry Wise - Non-Public Arbitrator, Presiding Chair
Frederick W. Snyder, Jr. - Non-Public Arbitrator
Earl G. Winebrenner, III - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Phillip Barry Wise
Phillip Barry Wise
Non-Public Arbitrator, Presiding Chair

9/24/03
Signature Date

/s/ Frederick W. Snyder, Jr.
Frederick W. Snyder, Jr.
Non-Public Arbitrator

9/24/03
Signature Date

/s/ Earl G. Winebrenner, III
Earl G. Winebrenner, III
Non-Public Arbitrator

9/24/03
Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 02-06808
Award Page 4 of 4

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Non-Public Arbitrator, Presiding Chair

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