

**NASD DISPUTE RESOLUTION AWARD**  
**NASD DISPUTE RESOLUTION**

CASE: 03-00804

Morgan Stanley DW, Inc., Claimant v. Jack Patrick Kovic, Respondent.

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**ATTORNEYS:**

For Claimant, Morgan Stanley DW, Inc., ("Claimant"), appeared John R. St. John, of the firm St. John, Wallace, Brennan, & Folan LLP, Torrance, CA.

For Respondent, Jack Patrick Kovic, ("Respondent"), appeared Jeffrey K. Compton, Esq., of the firm Markun, Zusman & Compton, LLP, Los Angeles, CA.

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**NATURE OF DISPUTE:** Member v. Associated Person

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**DATE FILED:** February 3, 2003

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**CASE SUMMARY:** Claimant alleged that Respondent breached his contract by nature of his failure to repay his training costs pursuant to the terms of the Financial Advisor Trainee Employment Agreement. Claimant maintained that due to Respondent's action, the corporation suffered financial losses.

**COUNTERCLAIM SUMMARY:** Respondent/Counterclaim Claimant alleged that Claimant/Counterclaim Respondent interfered with his prospective economic advantage, and committed acts of unfair competition. Respondent/Counterclaim Claimant maintained that due to Claimant/Counterclaim Respondent's actions, he suffered financial losses.

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**ARBITRATOR'S SUMMARY:**

Basis for Decision: Training carries with it real expense for the provider. Employers must have protection from a person who, after training, would walk away to a 'better deal' now that he was more qualified. (Even our U.S. Military Academies have this policy.)

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**Claim Data**

Claim: \$16,666.68  
Attorney Fees: \$.00  
Interest: Pre-award interest  
  
Interest: Post-award interest  
Filing Fees: \$.00  
Other: Unspecified

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**Award Data**

Award: \$16,666.68  
Attorney Fees: \$.00  
Interest: At the rate of six-percent (6%) per annum from date of award to payment.  
Interest: \$.00  
Filing Fees: \$.00  
Other: \$.00

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**Counterclaim Data**

Counterclaim: \$999.00  
Attorney Fees: Unspecified  
Filing Fees: Unspecified  
Other: Unspecified

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**Award Data**

Award: \$.00  
Attorney Fees: \$.00  
Filing Fees: \$.00  
Other: \$.00

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**AWARD:** The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondent is liable and shall pay to the Claimant \$16,666.68. 2) Respondent is liable and shall pay to the Claimant interest at the rate of six-percent (6%) per annum from the date of award to the date the award is paid in full. 3) All requests for attorney fees are denied. 4) All other requests are denied. 5) NASD Dispute Resolution shall retain the \$1,050.00 filing fee that the Claimant deposited previously.

**COUNTERCLAIM AWARD:** The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) The claims of Respondent/Counterclaim Claimant are dismissed in their entirety. 2) All requests for attorney fees are denied. 3) All other relief requests are denied. 4) Respondent shall pay to NASD Dispute Resolution the \$50.00 Counterclaim filing fee previously invoiced.

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**OTHER FEES:** Pursuant to Rule 10333 of the Code, Claimant Morgan Stanley DW, Inc. has paid to NASD Dispute Resolution the \$425.00 Member Surcharge previously invoiced.

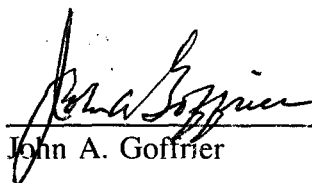
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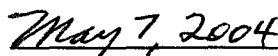
**ARBITRATOR**

John A. Goffrier - Sole Non-Public Arbitrator

**AFFIRMATION**

I, John A. Goffrier, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.

  
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John A. Goffrier

  
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Signature Date

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May 14, 2004  
Date of Service (For NASD-DR office use only)