
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
UBS PaineWebber, Inc.

Case Number: 03-03462

Name of the Respondent
John P. Kane

Hearing Site: Tampa, Florida

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

For UBS PaineWebber, Inc., hereinafter referred to as "Claimant": Brent A. Burns, Esq., Davidson & Grannum, LLP, Northvale, New Jersey.

John P. Kane, hereinafter referred to as "Respondent", appeared *pro se*.

CASE INFORMATION

Statement of Claim filed on or about: May 8, 2003.

Claimant signed the Uniform Submission Agreement on: February 26, 2003.

Statement of Answer filed on or about: June 23, 2004.

Respondent did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimant alleged a claim to recover at least \$280,151.99, of which \$239,151.99 represents the unforgiven and outstanding principal amount of an employee forgivable loan and the remainder of \$41,000.00 represents payment of a settlement by Claimant to a former customer serviced by Respondent.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$280,151.99; 2) interest on compensatory damages from March 1, 2003 through payment of the Award; 3) costs, fees and disbursements; 4) attorneys' fees; and 5) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondent requested dismissal of the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

On or about February 17, 2004, Claimant filed its Motion for Adjournment. On or about February 18, 2004, the Panel granted the motion, adjourned the evidentiary hearing scheduled for March 1, 2004, and waived the adjournment fee in the amount of \$1,125.00.

On or about June 11, 2004, Claimant filed its Motion for Award by Default or Motion to Bar Defenses. On or about August 9, 2004, the Panel denied the motion.

On or about October 21, 2004, Claimant filed its Motion to Bar Defenses and to Compel Discovery. On or about December 9, 2004, the Panel tabled the Motion to Bar Defenses and granted the Motion to Compel Discovery. On or about January 7, 2005, the Panel granted the Motion to Bar Defenses.

Respondent did not appear in person at the evidentiary hearing held on March 31, 2005. On March 31, 2005, Respondent requested permission to telephonically appear at the evidentiary hearing. The Panel granted Respondent's request and Respondent appeared telephonically at the evidentiary hearing.

The parties 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 (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable on the employee forgivable loan and shall pay to Claimant compensatory damages and pre-judgment interest in the total amount of \$289,151.99. Post-judgment interest shall accrue at the prime rate plus 2% from March 31, 2005 until the date of payment of the Award.
2. Respondent is liable for Claimant's settlement payment to a former customer serviced by Respondent and Respondent shall pay to Claimant compensatory damages in the amount of \$20,500.00, pre-judgment interest denied. Post-judgment interest shall accrue at the prime rate plus 2% from March 31, 2005 until the date of payment of the Award.
3. Respondent is liable and shall pay to Claimant attorneys' fees in the amount of \$16,500.00. Attorneys' fees are awarded pursuant to the employee forgivable loan. Post-judgment interest shall accrue at the prime rate plus 2% from March 31, 2005 until the date of payment of the Award.

4. Respondent is liable and shall reimburse Claimant the sum of \$1,000.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution. Post-judgment interest shall accrue at the prime rate plus 2% from March 31, 2005 until the date of payment of the Award.

5. Any and all claims or relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$1,000.00
--------------------------	--------------

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, Claimant is a member firm and a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

There were no three-day cancellation fees assessed during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

There were no injunctive relief fees assessed during these proceedings.

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:

Five (5) Pre-hearing sessions with Panel @ \$1,125.00 per session	= \$5,625.00
Pre-hearing conferences:	
December 1, 2003	1 session
January 9, 2004	1 session
August 20, 2004	1 session
December 9, 2004	1 session
January 7, 2005	1 session
One (1) Hearing session @ \$1,125.00 per session	= \$1,125.00
Hearing Date: March 31, 2005	1 session
<hr/> Total Forum Fees	<hr/> = \$6,750.00

The Panel has assessed forum fees in the amount of \$1,440.00 to Claimant.

The Panel has assessed forum fees in the amount of \$5,310.00 to Respondent Kane.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Audio equipment for evidentiary hearing	= \$ 75.00
---	------------

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00
Forum Fees	= \$1,440.00
Total Fees	= \$7,640.00
Less payments	= \$7,325.00
Balance Due NASD Dispute Resolution	= \$ 315.00

Respondent Kane is solely liable for:

Administrative Costs	= \$ 75.00
Forum Fees	= \$5,310.00
Total Fees	= \$5,385.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$5,385.00

NASD Dispute Resolution

Arbitration No. 03-03462

Award Page 5

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

ARBITRATION PANEL

<i>Willis E. Adams, II</i>	-	<i>Non-Public Arbitrator, Presiding Chairperson</i>
<i>John Steven Azadian</i>	-	<i>Non-Public Arbitrator</i>
<i>Clyde E. Renfroe, Jr.</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

_____/s/_____
Willis E. Adams, II
Non-Public Arbitrator, Presiding Chairperson

April 8, 2005
Signature Date

_____/s/_____
John Steven Azadian
Non-Public Arbitrator

April 8, 2005
Signature Date

_____/s/_____
Clyde E. Renfroe
Non-Public Arbitrator

April 8, 2005
Signature Date

April 8, 2005
Date of Service (For NASD Dispute Resolution office use only)

APR 8. 2005 11:55AM NASD

No.8312 P. 6

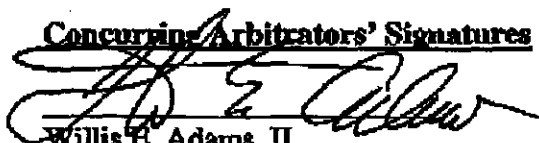
NASD Dispute Resolution
Arbitration No. 03-03462
Award Page 5

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

ARBITRATION PANEL

<i>Willis E. Adams, II</i>	-	<i>Non-Public Arbitrator, Presiding Chairperson</i>
<i>John Steven Azadian</i>	-	<i>Non-Public Arbitrator</i>
<i>Clyde E. Renfroe, Jr.</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures



Willis E. Adams, II
Non-Public Arbitrator, Presiding Chairperson

4-8-05

Signature Date

John Steven Azadian
Non-Public Arbitrator

Signature Date

Clyde E. Renfroe
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution
Arbitration No. 03-03462
Award Page 5

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

ARBITRATION PANEL

<i>Willis E. Adams, II</i>	-	<i>Non-Public Arbitrator, Presiding Chairperson</i>
<i>John Steven Azadian</i>	-	<i>Non-Public Arbitrator</i>
<i>Clyde E. Renfroe, Jr.</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Willis E. Adams, II
Non-Public Arbitrator, Presiding Chairperson

Signature Date


John Steven Azadian
Non-Public Arbitrator

4.8.05
Signature Date

Clyde E. Renfroe
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution

Arbitration No. 03-03462

Award Page 5

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

ARBITRATION PANEL*Willis E. Adams, II**Non-Public Arbitrator, Presiding Chairperson**John Steven Azadian**Non-Public Arbitrator**Clyde E. Renfroe, Jr.**Non-Public Arbitrator*Concurring Arbitrators' Signatures*Willis E. Adams, II**Non Public Arbitrator, Presiding Chairperson**Willis E. Adams, II**John Steven Azadian**Non-Public Arbitrator**Signature Date**4-08-04**Clyde E. Renfroe**Clyde E. Renfroe**Non-Public Arbitrator**Signature Date*Date of Service (For NASD Dispute Resolution office use only)