

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

UBS Financial Services Inc., Claimant v. Vladimir Naroditsky, Respondent

Case Number: 03-04896

Hearing Site: Los Angeles, California

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Nature of the Dispute: Member v. Associated Person

**REPRESENTATION OF PARTIES**

For Claimant:

Brent A. Burns, Esq.  
Davidson, Manchel & Brennan, LLP  
Northvale, New Jersey

For Respondent:

Nancy L. Fineman, Esq.  
Law Office of Cotchett, Pitre,  
Simon & McCarthy  
Burlingame, California

**CASE INFORMATION**

Statement of Claim filed: July 1, 2003

Claimant's Uniform Submission Agreement signed: June 20, 2003

Statement of Answer filed by Respondent: January 5, 2004

Respondent's Uniform Submission Agreement signed: December 27, 2003

**CASE SUMMARY**

Claimant alleged failure to pay promissory note number 10720 relating to an employee loan.

Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

**RELIEF REQUESTED**

Claimant requested \$57,077.45 in compensatory damages, interest from September 30, 2002 through payment of the Award, and costs, including attorney's fees.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety.

**OTHER ISSUES CONSIDERED AND DECIDED**

On November 5, 2003, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On March 25, 2004, Claimant made a Motion for Summary Judgment. On April 26, 2004, Respondent filed an Opposition to the Motion for Summary Judgment. After due deliberation in an executive session, the Panel denied Claimant's Motion for Summary Judgment.

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

- 1) Respondent is liable to and shall pay Claimant UBS Financial Services Inc. the sum of \$57,077.45 in compensatory damages.
- 2) Respondent is liable to and shall pay Claimant the sum of \$15,000.00 in attorney's fees.
- 3) Claimant's request for interest is denied.
- 4) All other relief requested and not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee	= \$ 1,000.00
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#### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm UBS Financial Services Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 1,700.00</u>
<b>Total Member Fees</b>	<b>= \$ 3,550.00</b>

#### **Forum Fees and Assessments**

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$750.00/session	= \$ 750.00
Pre-hearing conference: February 3, 2004 1 session	

(2) Hearing sessions @ \$750.00/session	= \$ 1,500.00
Hearings: May 4, 2004 2 sessions	

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<b>Total Forum Fees</b>	<b>= \$ 2,250.00</b>
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The Panel assessed \$2,250.00 of the forum fees to Respondent Vladimir Naroditsky.

**Fee Summary**

1. Claimant UBS Financial Services Inc. is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,550.00
Total Fees	= \$ 4,550.00
<u>Less payments</u>	= \$(6,050.00)
<b>Refund Due Claimant</b>	<b>= \$(1,500.00)</b>

2. Respondent Vladimir Naroditsky is charged with the following fees and costs:

Forum Fees	= \$ 2,250.00
<u>Less payments</u>	= \$ (0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 2,250.00</b>

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

**ARBITRATION PANEL**

<b><i>Rudy E. Thorwirth</i></b>	-	<b><i>Non-Public Arbitrator, Presiding</i></b>
<b><i>Kenneth L. Brown</i></b>	-	<b><i>Non-Public Arbitrator</i></b>
<b><i>Ralph S. Blascovich, Esq.</i></b>	-	<b><i>Non-Public Arbitrator</i></b>

**Concurring Arbitrators' Signatures**

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Rudy E. Thorwirth  
Chair, Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

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Kenneth L. Brown  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Ralph S. Blascovich, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

5/18/04  
Date of Service

**ARBITRATION PANEL**

*Rudy E. Thorwirth*  
*Kenneth L. Brown*  
*Ralph S. Blascovich, Esq.*

• *Non-Public Arbitrator, Presiding*  
• *Non-Public Arbitrator*  
• *Non-Public Arbitrator*

**Concurring Arbitrators' Signatures**

  
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Rudy E. Thorwirth  
Chair, Non-Public Arbitrator

May 18, 2004  
Signature Date

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Kenneth L. Brown  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Ralph S. Blascovich, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

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<b><i>Ralph S. Blascovich, Esq.</i></b>	-	<b><i>Non-Public Arbitrator</i></b>

**Concurring Arbitrators' Signatures**

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Rudy E. Thorwirth  
Chair, Non-Public Arbitrator

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Signature Date

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*KL Brown*  
Kenneth L. Brown  
Non-Public Arbitrator

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*5/18/04*  
Signature Date

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Ralph S. Blascovich, Esq.  
Non-Public Arbitrator

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Signature Date

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Date of Service

**ARBITRATION PANEL**

<b><i>Rudy E. Thorwirth</i></b>	-	<b><i>Non-Public Arbitrator, Presiding</i></b>
<b><i>Kenneth L. Brown</i></b>	-	<b><i>Non-Public Arbitrator</i></b>
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Chair, Non-Public Arbitrator

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Signature Date

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Kenneth L. Brown  
Non-Public Arbitrator

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Signature Date

*Ralph S. Blascovich*  
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Ralph S. Blascovich, Esq.  
Non-Public Arbitrator

*5-18-04*  
\_\_\_\_\_  
Signature Date