
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
UBS Financial Services, Inc.

Case Number: 05-02726

Name of the Respondent
Salvadore D. Palermo

Hearing Site: Atlanta, Georgia

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

For UBS Financial Services, Inc., hereinafter referred to as "Claimant": Lisa A. Catalano, Esq., Davidson & Grannum LLP, Orangeburg, New York.

Salvadore D. Palermo, hereinafter referred to as "Respondent", appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: May 23, 2005.

Claimant signed the Uniform Submission Agreement: May 10, 2005.

Respondent signed the Uniform Submission Agreement: January 6, 2006.

Motion for Summary Judgment filed by Claimant on or about: January 25, 2006.

Respondent did not file a Statement of Answer or a Response to Claimant's Motion for Summary Judgment.

CASE SUMMARY

Claimant asserted a claim for breach of Promissory Note. Specifically, Claimant asserted this claim in connection with a settlement that Respondent reached with Claimant in resolution of Respondent's unforgiven and outstanding principal amount of an Installment Promissory Note and an Employee Forgivable Loan. The cause of action relates to Respondent's former employment by Claimant, the Installment Promissory Note dated June 23, 1999 and the Employee Forgivable Loan executed by the parties.

RELIEF REQUESTED

Claimant requested 1) compensatory damages in the amount of \$60,320.08 plus interest thereon from November 2002 to January 31, 2006 of \$25,345.41, and accrued interest through payment of the award; 2) attorneys' fees of \$12,064.02 and, 3) such other and further relief as the Panel may deem just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

On or about November 14, 2005, the Panel issued an Order which directed Respondent to submit a Statement of Answer and an executed Uniform Submission Agreement, no later than November 28, 2005.

On or about December 27, 2005, the Panel issued an Order which levied a \$1,000.00 fine against Respondent as a sanction for failing to comply with the Panel's November 14, 2005. The Order further stated that failure to comply with this Order by January 13, 2006 and to pay the fine may result in future sanctions, including entertaining a motion for default.

On or about January 9, 2006, Respondent filed an executed Uniform Submission Agreement.

Claimant filed an unopposed Motion for Summary Judgment in which it asserted that Respondent did not dispute Claimant's claims and that no material issue of fact exists. Additionally, Claimant amended the amount of attorneys' fees and interest requested. Respondent did not file a response to the motion.

On or about March 1, 2006, Claimant filed with NASD Dispute Resolution a notice of Respondent's compliance with the Panel's November 14, 2005 Order directing payment of monetary sanctions to Claimant.

On or about March 2, 2006, the Panel granted Claimant's Motion for Summary Judgment, and accepted Claimant's amended relief requests.

AWARD

After considering the pleadings and the record in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable and shall pay to Claimant compensatory damages in the amount of \$60,320.08, plus pre-judgment interest in the amount of \$25,345.41, plus post-judgment interest accrued at the rate of 10% per annum from the date of service of this Award until the Award is paid in full.

Respondent is liable and shall pay to Claimant attorneys' fees in the amount of \$12,064.02.

Respondent is liable and shall pay to Claimant the sum of \$1,000.00 representing reimbursement of the initial claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each 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. In this matter, the member firm UBS Financial Services, Inc. is a party.

Member surcharge = \$1,100.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$1,700.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed in this matter.

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.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel @ \$750.00/session = \$ 750.00

Pre-hearing conference: November 14, 2005 1 session

Total Forum Fees = \$ 750.00

The Panel has assessed the total forum fees of \$750.00 to Respondent.

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 are not limited to: additional copies of arbitrator awards; copies of audio transcripts; retrieval of documents from archives; interpreters; and, security.

No administrative costs were incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
<u>Member Fees</u>	= \$ 3,550.00
Total Fees	= \$ 4,550.00
<u>Less payments</u>	= \$ 4,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

<u>Forum Fees</u>	= \$ 750.00
Total Fees	= \$ 750.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 750.00

ARBITRATION PANEL

Patrick L. Bellantoni	-	Non-Public Arbitrator, Presiding Chairperson
Arthur Thomas Stephenson	-	Non-Public Arbitrator
Perry Lee Taylor, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/	03/08/2006
<u>Patrick L. Bellantoni</u>	<u>Signature Date</u>
Non-Public Arbitrator, Presiding Chairperson	

/s/	03/09/2006
<u>Arthur Thomas Stephenson</u>	<u>Signature Date</u>
Non-Public Arbitrator	

/s/	03/09/2006
<u>Perry Lee Taylor, Jr., Esq.</u>	<u>Signature Date</u>
Non-Public Arbitrator	

March 10, 2006

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

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,550.00
Total Fees	= \$ 4,550.00
Less payments	= \$ 4,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

Forum Fees	= \$ 750.00
Total Fees	= \$ 750.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 750.00

ARBITRATION PANEL

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Arthur Thomas Stephenson	-	Non-Public Arbitrator
Perry Lee Taylor, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Patrick L. Bellantoni
Non-Public Arbitrator, Presiding Chairperson

03/08/2006

Signature Date

Arthur Thomas Stephenson
Non-Public Arbitrator

Signature Date

Perry Lee Taylor, Jr., Esq.
Non-Public Arbitrator

Signature Date

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 Arbitration No. 05-02726
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Fee Summary

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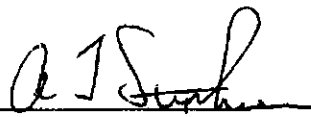
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Perry Lee Taylor, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Patrick L. Bellantoni
 Non-Public Arbitrator, Presiding Chairperson

Signature Date


 Arthur Thomas Stephenson
 Non-Public Arbitrator

3-9-06
 Signature Date

Perry Lee Taylor, Jr., Esq.
 Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution
 Arbitration No. 05-02726
 Award Page 4

Fee Summary

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<u>Total Fees</u>	= \$ 4,550.00
<u>Less payments</u>	= \$ 4,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

<u>Forum Fees</u>	= \$ 750.00
<u>Total Fees</u>	= \$ 750.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 750.00

ARBITRATION PANEL

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Perry Lee Taylor, Jr., Esq.	-	Non-Public Arbitrator

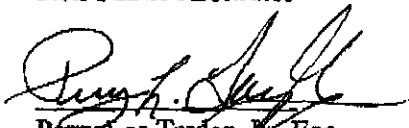
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 Non-Public Arbitrator, Presiding Chairperson

 Signature Date

 Arthur Thomas Stephenson
 Non-Public Arbitrator

 Signature Date


 Perry Lee Taylor, Jr., Esq.
 Non-Public Arbitrator


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