
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Morgan Stanley DW Inc.

Case Number: 05-02763

Name of the Respondent
David W. Hausdorff

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

For Morgan Stanley DW Inc., hereinafter referred to as "Claimant": Thomas A. Volz, Esq., Kane and Fischer, Ltd., Chicago, Illinois.

Respondent David W. Hausdorff, hereinafter referred to as "Respondent," did not appear.

CASE INFORMATION

Statement of Claim filed on or about: May 25, 2005.

Claimant signed the Uniform Submission Agreement: May 17, 2005.

Respondent did not file an executed Uniform Submission Agreement or submit an Answer to the Statement of Claim.

Claimant's Motion to Bar Respondent from Presenting any Facts or Defenses at Hearing and Motion for Hearing to be Held Telephonically submitted on or about: December 8, 2005.

CASE SUMMARY

Claimant asserted a claim for breach of promissory note (the "Note"). The cause of action relates to Respondent's former employment with Claimant.

RELIEF REQUESTED

Claimant requested that the Panel grant the following: 1) the principal balance due and owing under the Note in the amount of \$325,000.00; 2) interest accrued during the term of the Note at the rate of 4% per annum in the amount of \$12,146.42; 3) interest at the rate of 4% per annum (\$35.62 per day) on the balance due and owing under the Note from the date of default (September 21, 2004) to the date of payment; 4) the costs of collection and of this proceeding including attorneys' fees as agreed to under the Note; and 5) any and all further relief that the panel deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not appear at the evidentiary hearing conducted on December 20, 2005.

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 is bound by the determination of the Panel on all issues submitted.

On or about December 12, 2005, the Panel issued an order denying Claimant's Motion to Bar Respondent from Presenting any Facts or Defenses at Hearing and Motion for Hearing to be Held Telephonically.

AWARD

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

Respondent is liable on the claim for breach of the Note and shall pay to Claimant damages in the combined amount of \$367,937.92 representing the following:

1. Principal Balance on Promissory Note dated October 16, 2003 in the amount of \$325,000.00;
2. Interest accrued during the term of the Note at the contract rate of 4% from October 16, 2003 through the date of termination, September 21, 2004, in the amount of \$ 12,146.42;
3. Interest accrued at the rate of 4% per annum (\$35.62 per day) on the balance due and owing under the Note from the date of default, September 21, 2004, through December 20, 2005 (445 days x \$35.62 per day) in the amount of \$16, 207.10;
4. Attorneys' fees in the amount of \$6,899.50 pursuant to the term of the Note; and
5. Costs in the amount of \$7,684.90.

Additionally, Respondent is liable and shall pay to Claimant post-judgment interest accruing at the rate of 4% from December 21, 2005 until the award is paid.

Any and all other claims for relief not specifically addressed herein, including Claimant's request for punitive damages, are denied.

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

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Claimant is a party and a member firm.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed in this matter 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 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 @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: September 29, 2005 1 session	
One (1) Hearing Session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Hearing Date: December 20, 2005 1 session	
Total Forum Fees	= \$ 2,250.00

The Panel has assessed the total forum fees of \$1,125.00 to Claimant

The Panel has assessed the total forum fees of \$1,125.00 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 not limited to, additional copies

of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Forum Fees	= \$ 1,125.00
<u>Member Fees</u>	<u>= \$ 5,200.00</u>
Total Fees	= \$ 7,325.00
<u>Less payments</u>	<u>= \$ 7,325.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

<u>Forum Fees</u>	<u>= \$ 1,125.00</u>
Total Fees	= \$ 1,125.00
<u>Less Payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 1,125.00

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

ARBITRATION PANEL

Lanny M. Leff
Daniel Daugherty
Joel Margolies

Non-Public Arbitrator, Presiding Chairperson
Non-Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/s/
Lanny M. Leff
Non-Public Arbitrator, Presiding Chairperson

December 22, 2005
Signature Date

_____/s/
Daniel Daugherty
Non-Public Arbitrator

December 23, 2005
Signature Date

_____/s/
Joel Margolies
Non-Public Arbitrator

December 23, 2005
Signature Date

December 27, 2005

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

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Non-Public Arbitrator, Presiding Chairperson

Signature Date

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Non-Public Arbitrator

Signature Date

Joel Margolies
Non-Public Arbitrator

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Lanny M. Leff
Non-Public Arbitrator, Presiding Chairperson

Signature Date



Daniel Daugherty
Non-Public Arbitrator

12/23/05

Signature Date

Joel Margolies
Non-Public Arbitrator

Signature Date

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Signature Date

Daniel Daugherty
Non-Public Arbitrator

Signature Date



Joel Margolies
Non-Public Arbitrator

12/23/05

Signature Date

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