

**AWARD  
NASD DISPUTE RESOLUTION**

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**In the Matter of the Arbitration Between:**

UBS Financial Services Inc., Claimant vs. Joseph F. Rudd, III, Respondent

Case Number: 06-00522

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**SITUS:** Dallas, Texas

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

**REPRESENTATION OF PARTIES:** UBS Financial Services Inc., hereinafter referred to as "Claimant": Daniel A. Clarkin, Esq., of Davidson & Grannum, LLP.

Respondent signed a submission agreement on April 24, 2006, but did not file an Answer in this matter.

**DATE FILED:** February 2, 2006.

**CASE SUMMARY:** Claimant alleged that Respondent Rudd failed to repay loans memorialized in two Promissory Notes that were executed as part of Rudd's employment with Claimant. Both Notes were forgivable over a period of time provided certain conditions were met. Rudd resigned from Claimant before the Notes were forgiven. Despite a demand for repayment, Rudd has refused to pay the debt.

<b>RELIEF REQUESTED:</b>	Claim:	\$64,519.29
	Attorney's Fees:	Unspecified
	Filing Fees:	Unspecified
	Other:	As the Panel deemed just and equitable

**OTHER ISSUES:** By letter and Motion dated June 9, 2006, Claimant opted to proceed against Respondent Joseph F. Rudd, III pursuant to Rule 10314(e) of the *NASD Code of Arbitration Procedure* ("Code"). The arbitrator determined that Respondent Rudd was properly served notice of the Statement of Claim and Notification of the Arbitrator by certified mail, and that Respondent Rudd is required to submit to arbitration pursuant to the Code and is/are bound by the determination of the Arbitrator on all issues submitted.

**AWARD:** The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Joseph F. Rudd, III is liable for and shall pay to the Claimant, UBS Financial Services Inc. the sum of \$64,519.29 as compensatory damages, plus interest at the Prime Rate (Citibank's) plus 2%

compounded monthly, said interest accruing from February 25, 2003 until the award is paid in full;

2. In addition, Respondent Joseph F. Rudd, III is liable for and shall pay to the Claimant, UBS Financial Services Inc. the sum of \$8,797.34 as attorneys' fees. In deciding to award attorneys' fees, the Arbitrator considered the language of the Promissory Notes and determined that there was contractual authority for an award of attorneys' fees to the Claimant;
3. Furthermore, Respondent Joseph F. Rudd, III is liable for and shall pay to the Claimant, UBS Financial Services Inc. the sum of \$1,000.00 as reimbursement of the non-refundable claim filing fee;
4. All remaining costs of arbitration shall be borne by the party incurring the cost, including any additional attorneys' fees; and,
5. All other relief requests are denied.

**FEES:** The \$1,000.00 filing fee previously deposited with NASD Dispute Resolution by Claimant shall be retained by NASD Dispute Resolution.

#### **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. Pursuant to Rule 10333, member fees are not chargeable to any other party. Accordingly, UBS Financial Services Inc. is a party and the following member fees are assessed:

Member surcharge	= \$ 1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,700.00

#### **Forum Fees**

The following forum fees were assessed:

One (1) Pre-Hearing with the full panel x \$750.00	= \$ 750.00
Default Judgment Decision	= \$ 300.00

The arbitrator assessed all forum fees against Respondent Joseph F. Rudd, III.

### **ARBITRATION PANEL**

\_\_\_\_\_  
Albert Earl Ladd  
Sole Non-Public Arbitrator

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

Date of Service (NASD Use Only) \_\_\_\_\_

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Albert Earl Ladd  
Albert Earl Ladd  
Sole Non-Public Arbitrator

June 29, 2006  
Signature Date

Date of Service (NASD Use Only) 6/29/06 Mar