

AWARD

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Mike S. Taylor

and

96-03645

Name of Respondents

Paul Cantatore, and
PaineWebber, Inc.

REPRESENTATION OF PARTIES

Mike S. Taylor ("**Claimant**") was represented by Michael Salcido, Esq., Phoenix, Arizona.

Paul Cantatore ("**Respondent**") was not represented and failed to appear or respond in this arbitration.

PaineWebber Incorporated ("**PaineWebber**") was represented by Peter J. Bado, Esq., of PaineWeber, Weehawken, New Jersey. On or about February 18, 1997, a notice of settlement was filed indicating that PaineWebber settled with the Claimant. PaineWebber did not participate further in this arbitration due to the settlement.

CASE INFORMATION

Claimant filed the Statement of Claim on or about October 3, 1996. Claimant signed the Submission Agreement in July, 1996.

Cantatore failed to file an Answer and Submission Agreement.

HEARING INFORMATION

No hearings were held on this matter.

CASE SUMMARY

Claimant alleged that Cantatore committed the following violations of applicable statutes, rules and regulations: unsuitable investment recommendations; securities fraud; fraud; dishonest and unethical conduct; breach of fiduciary duty; negligent misrepresentations; and negligence.

RELIEF REQUESTED

Claimant requested an award in the amount of at least \$99,000 against Cantatore. Claimant also requested an award of: Pre and post award interest until the award is paid in full; "opportunity" of "benefit of the bargain" losses based on how Claimant's account would have performed had it been properly managed; disgorgment of all commissions and margin interest charged to his account; costs and attorney's fees incurred herein, including all NASD filing and expert witness fees; punitive damages in an amount to be determined at the hearing; and such other and further relief as is deemed just and proper.

OTHER ISSUES CONSIDERED & DECIDED

On or about February 18, 1997, Claimant reached a settlement of his claim against PaineWebber. The case proceeded against Cantatore. Hearing dates in 1997 were postponed in order that service could be made on Cantatore. Confirmation of service was obtained in or about March of 1998 by return, to the NASD, of a Certified Return Receipt signed by Cantatore. Cantatore failed to respond to the claim. On or about July 20, 1998, Claimant requested a default award against Cantatore. Cantatore failed to respond to Claimant's request.

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Cantatore has been properly served with the Statement of Claim pursuant to Rules 10302 and 10314 of the NASD Code of Arbitration Procedure (the "Code"). The arbitrators further determined that Cantatore's failure to respond to Claimant's request for a default and a decision on the papers submitted, and failure to respond in any way to this arbitration constituted a waiver of the hearing requirement under the Code.

AWARD

After considering the pleadings, evidence of service, and request for default, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

Cantatore is liable for, and shall pay to the Claimant compensatory damages of \$90,000 plus interest at the rate of 10% per annum from February 1, 1999 until paid.

All other requests for relief/claims not specifically set forth herein are, and each of them, denied with prejudice.

FORUM FEES

Forum fees are calculated at the rate of \$500 per hearing session and \$300 for each prehearing conference, if any. There were no hearing sessions.

Pursuant to Rule 10332(c) of the Code, NASD Regulation, Inc. shall retain the non-


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Pursuant to Rule 10332(c) of the Code, NASD Regulation, Inc. shall retain the non-refundable filing fee in the amount of \$150 and shall retain the hearing session deposit in the amount of \$500 previously deposited with NASD Regulation, Inc. by the Claimant. The deposit shall be retained to cover the \$500 postponement fee assessed by the panel for the continuance of the September 1997 hearing dates.

Fees are payable to NASD Regulation, Inc.

Dated:

J. Noland Franz
Public Arbitrator, Presiding Chair


Carrie P. Withey
Public Arbitrator

5.5.99

Leon G. Mackey
Industry Arbitrator

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4-30-99

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NASD REGULATION

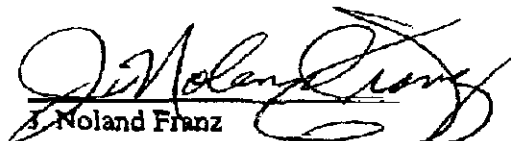
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