

9912006

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Smith Benton & Hughes, Inc., Claimants

v.

Jay William Taylor, Respondent

v.

Michael Nmi Zaman, and Claudia Jane Zaman, Third Party Respondents

Case Number: 96-05171

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant and Third Party Respondents:

Ilbert A. Phillips
Law Offices of
Ilbert A. Phillips
Los Angeles, California

For Respondent Jay William Taylor:

C. Timothy Smoot, Esq.
Law Offices of
C. Timothy Smoot
Torrance, California

CASE INFORMATION

Statement of Claim filed: November 19, 1996

Claimant's Uniform Submission Agreement signed: November 19, 1996

Statement of Answer, Counter-claim Third Party Claim filed by Respondent Jay William Taylor:
February 5, 1997

Respondent Jay William Taylor's Uniform Submission Agreement signed: February 5, 1997

Third Party Respondents Statement of Answer filed: March 7, 1997

Third Party Respondent Michael Nmi Zaman's Uniform Submission Agreement filed: March 7, 1997

Third Party Respondent Claudia Jane Zaman's Uniform Submission Agreement filed: March 7, 1997

CASE SUMMARY

Claimant alleged the following causes of action: breach of contract and money lent.

Respondent Jay William Taylor denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim. In his Counter-claim and Third-party claim, Respondent Jay William Taylor alleged the following causes of action: fraud, securities fraud, breach of contract, wrongful termination, conspiracy, and slander.

Counter-Respondent Smith Benton Hughes, Inc. and Third Party Respondents Michael Nmi Zaman, and Claudia Jane Zaman denied the allegations of wrongdoing set forth in the Counter-claim and Third-party claim.

RELIEF REQUESTED

Claimant requested: \$23,145.40 in compensatory damages for the promissory note, \$10,541.50 in compensatory damages for the money lent, interest, attorney's fees, and costs.

Respondent Jay William Taylor requested dismissal of the Claimant's Statement of Claim in its entirety. In his Counter-claim and Third-party claim, Respondent requested \$235,000.00 in lost commissions, \$40,000.00 in consequential damages, \$200,000.00 in exemplary and punitive damages, attorney's fees and costs. Respondent, in his Third-party claim, also requested \$25,000.00 in compensatory damages from Third-party Respondent Michael Nmi Zaman.

Counter-Respondent Smith Benton Hughes, Inc. and Third Party Respondents Michael Nmi Zaman, and Claudia Jane Zaman requested dismissal of the Counter-claim and Third-Party claim, unspecified damages, punitive damages, interest costs, and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

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

- 1) Counter-Respondent, Smith Benton & Hughes, Inc., and Third-Party Respondent, Michael Nmi Zaman, are jointly and severally liable and shall pay to Counter-Claimant and Third-Party, Claimant Jay William Taylor, the sum of \$100,000.00 in compensatory damages less \$27,000.00 based on amounts advanced for his debts by Smith Benton & Hughes, Inc. Michael Nmi Zaman.
- 2) All claims against Third Party Respondent, Claudia Jane Zaman, are dismissed.
- 3) Each party shall bear its own costs, including attorney's fees.
- 4) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. has received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 500.00
Respondent Taylor's Counter-claim and Third-party claim	= \$ 500.00

Member Fee

A Member fee is 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 event of the dispute. Accordingly, the member firm Smith Benton & Hughes, Inc. is a party and the following fee are assessed:

Member Surcharge	= \$ 200.00
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Adjournment Fees

The arbitration panel waived every adjournment fee.

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/Panel. The following fees are assessed:

(1) Pre-hearing conference session with a single arbitrator @ \$ 300.00	= \$ 300.00
Pre-hearing conference: July 3, 1997	1 session

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(1) Pre-hearing conference session with the Panel @ \$750.00 = \$ 750.00
 Pre-hearing conference(s): March 25, 1997 1 session

(6) Hearing sessions @ \$750.00 = \$ 4,500.00
 Hearing(s): November 16, 1999 2 sessions
 November 17, 1999 2 sessions
 November 18, 1999 2 sessions

Total Forum Fees = \$ 5,550.00

1. The Arbitration Panel has assessed \$2,775.00 of the forum fees jointly and severally to Smith Benton & Hughes, Inc. and Michael Nmi Zaman.
2. The Arbitration Panel has assessed \$2,775.00 of the forum fees to Jay William Taylor.

Fee Summary

1. Claimant, Smith Benton & Hughes, Inc., is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Member Fees	= \$ 200.00
<u>Less payments</u>	<u>= \$ (1,850.00)</u>
Overpayment to NASD Regulation, Inc.	= \$ 1,150.00

2. Respondent, Jay Taylor, is charged with the following fees and costs:

Type Filing Fee	= \$ 500.00
<u>Forum Fees</u>	<u>= \$ 2,775.00</u>
Total Fees	= \$ 3,275.00
<u>Less payments</u>	<u>= \$ (2,750.00)</u>
Balance Due NASD Regulation, Inc.	= \$ 525.00

3. Claimant and Third Party Respondents, Smith Benton & Hughes, Inc. and Michael Nmi Zaman, are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	<u>= \$ 2,775.00</u>
Less Overpayment by	
<u>Smith Benton & Hughes, Inc.</u>	<u>= \$ (1,150.00)</u>
Balance Due NASD Regulation, Inc.	= \$ 1,625.00

All balances are payable to NASD Regulation, Inc. and are due within 30 days of the award's date of service.

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Concerning Arbitrators' Statements

Sandra L. Thaler
Sandra L. Thaler, Esq.
Chair, Public Arbitrator

Signature Date 12/1/99

Erwin Howard Lasky
Public Arbitrator

Signature Date

Donald L. Lisk
Industry Arbitrator

Signature Date

2/7/99
Date of Service

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NASD Arbitration Mediation

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Concurring Arbitrators' Signatures

Sandra L. Malek, Esq.
Chair, Public Arbitrator

Signature Date

Irwin Howard Lasky
Irwin Howard Lasky
Public Arbitrator

12-3-99
Signature Date

Donald L. Lisle
Industry Arbitrator

Signature Date

12/7/99
Date of Service

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Concurring Arbitrators' Signatures

Sandra L. Malek, Esq.
Chair, Public Arbitrator

Signature Date

Irwin Howard Lasky
Public Arbitrator

Signature Date

Donald L. Little
Industry Arbitrator

Signature Date

12/7/89
Date of Service