

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimants

PaineWebber Incorporated

Case No. 98-00124
(Consolidated with Case
No. 98-00125)

Name of Respondent

Jon LeTang (Case No. 98-00124)
Pierre M. Koutani (Case No. 98-00125)

Consolidated June 3, 1999

REPRESENTATION OF PARTIES

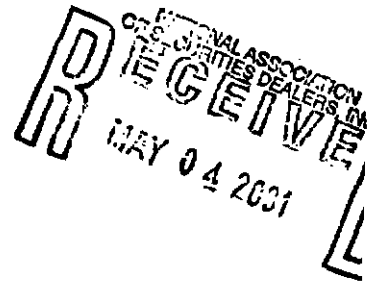
Claimant PaineWebber Incorporated ("PaineWebber") was represented by Janiece M. Langoria, Esq. of Ogden, Gibson, White & Brooks, LLP, located in Houston, Texas.

Respondents Pierre M. Koutani ("Koutani") and Jon LeTang ("LeTang") were represented by Michael Kalmus, Esq. of Kalmus & Martuscello, PC, located in New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: January 12, 1998
Claimant signed the Uniform Submission Agreement: February 3, 1998

Statement of Answer filed by Respondent, Koutani, on or about: April 29, 1998
Statement of Answer filed by Respondent, Letang, on or about: May 14, 1998



CASE SUMMARY

Claimant asserted the following causes of action: breach of Employee Forgivable Loan Program ("EFL") promissory notes. The causes of action relate to LeTang and Koutani's unforgiven and outstanding principal on their respective loans.

Unless specifically admitted in their Answers, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: misrepresentation of material facts, fraudulent inducement precipitating constructive discharge and promissory estoppel/justifiable reliance.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$ 135,082.34
Interest	\$ Unspecified
Attorneys' Fees	\$ Unspecified
Other Costs	\$ Unspecified

Respondents requested that the Statement of Claim be dismissed in its entirety and to be awarded attorneys' fees, cost, forum fees and any other relief the panel deemed proper.

OTHER ISSUES CONSIDERED AND DECIDED

Initially filed as two claims, PaineWebber filed a motion to consolidate their claims against Jon LeTang, (NASD Case No. 98-00124) and Pierre M. Koutani (NASD Case No. 98-00125) on May 24, 1999. The panel granted this request on June 3, 1999. Respondents, Letang and Koutani did not file with the NASD-DR a properly executed submission to arbitration but pursuant are bound by the determination of the arbitration panel pursuant to the Code of Arbitration and by agreement of the parties.

AWARD

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

1. Respondent Jon LeTang is liable for and shall pay to Claimant, PaineWebber Incorporated, the sum of \$103,230.40 as compensatory damages for breach of

the EFL promissory note, plus interest on the promissory note accruing from June 17, 1997 in the sum of \$56,422.17;

2. Respondent Jon LeTang is liable for and shall pay to the Claimant, PaineWebber Incorporated, the sum of 15,000.00 as attorney's fees. In deciding to award attorneys' fees, the panel considered the arguments of the parties and the pleadings and exhibits filed on their behalf, and determined that authority existed for an award of attorneys' fees to the Claimant, PaineWebber Incorporated;
3. Respondent Jon LeTang is liable for and shall pay to the Claimant PaineWebber Incorporated, the sum of \$290.00 in other costs and \$860.46 for witness expenses.
4. Respondent, Pierre M. Koutani is liable for and shall pay to the Claimant, PaineWebber Incorporated, the sum of \$135,746.60 as compensatory damages for breach of FL promissory note;
5. Respondent Pierre M. Koutani is liable for and shall pay to the Claimant, PaineWebber Incorporated, the sum of \$15,000 as attorney's fees. In deciding to award attorneys' fees, the panel considered the arguments of the parties and the pleadings and exhibits filed on their behalf, and determined that authority existed for an award of attorneys' fees to the Claimant, PaineWebber Incorporated;
6. Respondent Pierre M. Koutani is liable for and shall pay to Claimant PaineWebber Incorporated the sum of \$290.00 in other costs and \$860.46 for witness expenses; and,
7. Any additional costs of arbitration, including attorneys' fees, shall be borne by the party incurring the cost, unless specifically determined in this award.

Any and all relief not specifically granted herein is denied.

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee:

= \$ 1000.00

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 event giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$ 3000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Adjournment Fees

Adjournments requested during these proceedings:

January 20 & 21, 1999, by Respondent, Koutani	= \$750.00 (Waived)
August 1 & 2, 2001, by Respondent, Koutani	= \$750.00

June 24 & 25, 1999, by Claimant PaineWebber	= \$750.00
March 10 & 11, 1999 by Claimant PaineWebber	= \$ 1000.00

Forum Fees and Assessments

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

One (1) Pre-hearing session(s) with a single arbitrator x \$300	= \$300.00
Pre-hearing conference: December 15, 1998 1 session	
Two (2) Pre-hearing session(s) with Panel x \$750	= \$1500.00
Pre-hearing conference: October 15, 1998 1 session	
October 29, 1998 1 session	
October 09, 2000 1 session	
One (1) Hearing sessions x \$750	= \$750.00
Hearing Date: January 9, 2001 1 session	
Total Forum Fees	= \$2,550.00

1. The Panel has assessed \$2,550.00 of the forum fees to Claimant.
2. The Panel has order the Respondents, jointly and severally, to reimburse the Claimant for payment of the forum fees.

Fee Summary

Claimant PaineWebber Incorporated is solely liable for:

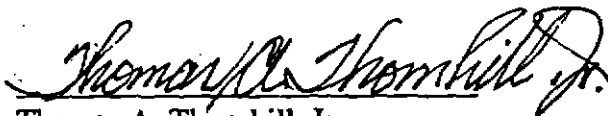
Initial Filing Fees	= \$ 1,000.00
Member Fees	= \$ 6,100.00
Adjournment Fees	= \$ 1,750.00
Forum Fees	= \$ 2,550.00
Total Fees	= \$ 12,400.00
<u>Less payments</u>	<u>= \$ 13,450.00</u>
Balance to refunded by NASD Dispute Resolution, Inc	= \$ 1,050.00

Respondent Pierre M. Koutani is solely liable for:

Adjournment Fee	= \$ 750.00
<u>Less payments</u>	<u>= \$ 750.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures



Thomas A. Thornhill, Jr.
Industry Arbitrator, Chairperson

4-21-01

Signature Date

Dolores Martin
Industry Arbitrator

Signature Date

Thomas W. Taylor
Industry Arbitrator

Signature Date

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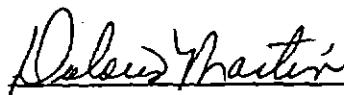
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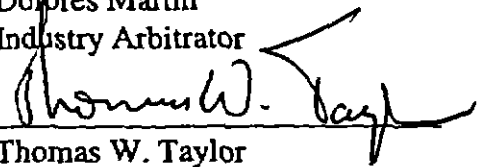
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Thomas A. Thornhill, Jr.
Industry Arbitrator, Chairperson

Signature Date

Dolores Martin
Industry Arbitrator

Signature Date


Thomas W. Taylor
Industry Arbitrator

5-1-01
Signature Date