

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:
PaineWebber, Inc., Claimant v. Daoud D. Mshaka, Respondent

Case Number: 99-04165

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

Gregory E. Copeland, Esq.
PaineWebber, Inc.
Los Angeles, California

For Respondent:

Daoud D. Mshaka
In Pro Per
Inglewood, California

CASE INFORMATION

Statement of Claim filed: September 9, 1999

Claimant's Uniform Submission Agreement signed: August 24, 1999

CASE SUMMARY

Claimant alleged that Respondent failed to repay a forgivable loan made in connection with his employment with the Claimant.

Respondent did not file an answer.

RELIEF REQUESTED

Claimant requested \$55,783.75 in compensatory damages. Claimant also requested interest at the rate set forth in the promissory note (calculated at Citibank, N.A.'s current prime rate plus two percent), attorney's fees, forum fees, and costs.

Respondent did not file an answer.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned Panel determined that Respondent Daoud D. Mshaka has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Daoud D. Mshaka did not file with the NASD Dispute Resolution, Inc. a properly executed submission agreement. Respondent Daoud D. Mshaka is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

Respondent Daoud D. Mshaka did not appear at the time of the hearing (9:00 a.m. Pacific Time) and the Panel proceeded without him.

The Claimant agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

The Panel granted Claimant's oral Motion to Bar Respondent Daoud D. Mshaka from presenting any facts, arguments, defenses, or counter-claims.

The Panel also noted that Respondent Daoud D. Mshaka failed to respond to the Chair's discovery order.

AWARD

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

- 1) Respondent Mshaka is liable to and shall pay Claimant the sum of \$68,394.73 in compensatory damages and interest (as of August 24, 2000).
- 2) Interest shall accrue on the \$68,394.73 at the promissory note rate (calculated at Citibank, N.A.'s current prime rate plus two percent), compounded monthly from August 25, 2000, until paid in full.
- 3) Respondent Mshaka is liable to and shall pay Claimant the sum of \$1,500.00 in attorney's fees pursuant to the terms of the employment contract.
- 4) Respondent Mshaka is liable to and shall pay Claimant the sum of \$1,000.00 in reimbursement of the filing fee.
- 5) Except as noted above, each party shall bear its own costs.
- 6) All other relief not expressly granted is denied in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 1,000.00
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Member Fees

Member fees are 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 PaineWebber, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 1,500.00</u>
Total Member Fees	= \$ 3,100.00

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 Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$750.00/session	= \$ 750.00
Pre-hearing conference: May 1, 2000 1 session	

(1) Hearing sessions @ \$750.00/session	= \$ 750.00
Hearing: August 24, 2000 1 session	

Total Forum Fees	= \$ 1,500.00
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The Panel assessed \$1,500.00 of the forum fees to Respondent Daoud D. Mshaka.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

Claimant requested 36 photocopies @ \$.50/page:	= \$ 18.00
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Fee Summary

1. Claimant PaineWebber, Inc. is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,100.00
<u>Administrative Costs</u>	= \$ 18.00
Total Fees	= \$ 4,118.00
<u>Less payments</u>	= \$(6,725.00)
Refund Due Claimant	= \$ 2,607.00

2. Respondent Daoud D. Mshaka is charged with the following fees and costs:

<u>Forum Fees</u>	= \$ 1,500.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,500.00

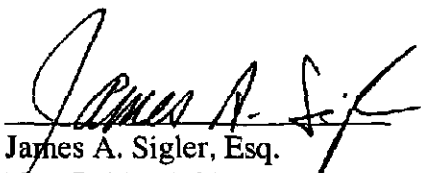
All balances are payable to NASD Dispute Resolution, Inc. and are due within 30 days of the Award's date of service.

Concurring Arbitrators' Signatures



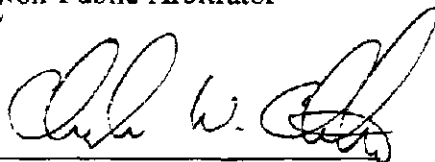
Wendy R. Robinson, Esq.
Chair, Non-Public Arbitrator

8/24/2000
Signature Date



James A. Sigler, Esq.
Non-Public Arbitrator

8/24/2000
Signature Date



Charles W. Christiansen
Non-Public Arbitrator

8/24/2000
Signature Date

8-24-00
Date of Service