

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:
Charles Schwab & Co., Inc., Claimant vs. Kyung W. Lee, Respondent.

Case Number: 00-00506

Hearing Site: San Francisco, California

REPRESENTATION OF PARTIES

Claimant, Charles Schwab & Co., Inc. ("Schwab"), hereinafter referred to as "Claimant":
Richard A. Karoly, Esq., Charles Schwab & Co., Inc., San Francisco, California

Respondent, Kyung W. Lee, hereinafter referred to as "Respondent": Kyung W. Lee, San Jose,
California

CASE INFORMATION

Statement of Claim filed on or about: February 2, 2000

Claimant Schwab's Uniform Submission Agreement filed on or about: February 2, 2000

CASE SUMMARY

Claimant alleged that Respondent has failed to pay a debit balance in Respondent's account with respect to Respondent's Ariel Corporation stock investment.

RELIEF REQUESTED

Claimant requested:

1. Principal damages in the sum of \$59,257.27;
2. Interest on said principal balance at the rate of 8.00% per annum from and after January 1, 2000, through the present, said interest amounting to \$16.23 per day;
3. Recovery of all costs, and attorney's fees incurred herein; and
4. Any other relief as the Arbitrators deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Lee did not file with NASD Dispute Resolution, Inc. ("NASD-DR") a Statement of Answer or properly executed submission to arbitration. The Panel determined that Respondent Lee has been properly served with Claimant's Statement of Claim and further determined that Respondent Lee is required to submit to arbitration pursuant to the terms and conditions of the Schwab Account Application and the Schwab Brokerage Account Agreement executed by Respondent. The Panel further determined that Respondent Lee is subject to NASD-DR

jurisdiction pursuant to the NASD-DR Code of Arbitration Procedure ("the Code") and is bound by the determination of the Panel on all issues submitted.

Respondent Lee did not appear at the evidentiary hearing in this matter. Pursuant to Rule 10318 of the Code, the Panel determined that Respondent Lee received proper notice of the hearing and ruled to proceed in Respondent's absence.

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

1. Respondent Lee is liable for and shall pay to Claimant, Schwab, the sum of \$59,257.27 plus pre-judgment interest at the rate of \$16.23 per day from January 1, 2000.
2. The parties shall each bear their respective costs including attorney's fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD-DR will retain or collect the non-refundable filing fees for each claim:

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

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$750.00	= \$1,500.00
Pre-hearing conferences: October 27, 2000	1 session
January 29, 2001	1 session
One (1) Hearing session x \$750.00	= \$750.00
Hearing Date: February 8, 2001	1 session
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Total Forum Fees	= \$2,250.00

1. The Panel has assessed the \$2,250.00 in forum fees to Respondent Lee.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

The parties did not incur administrative costs.

Fee Summary

1. Claimant is liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$3,100.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$4,100.00
<u>Less payments</u>	= \$4,850.00
Balance (Refund)	= \$ 750.00

2. Respondent is liable for:

Forum Fees	= \$2,250.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$2,250.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD-DR	= \$2,250.00

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

NASD Dispute Resolution, Inc.

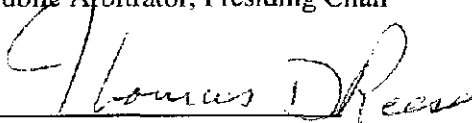
Arbitration No. 00-00506

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Concurring Arbitrators' Signatures

Lawrence R. Barker, Esq.

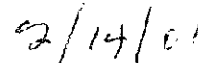
Public Arbitrator, Presiding Chair



Thomas D. Reese, Esq.

Public Arbitrator

Signature Date



Signature Date

Robert A. Jette, Jr., Esq.

Industry Arbitrator

Date Served:

FEB 15 2001

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.

Arbitration No. 00-00506

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Concurring Arbitrators' Signatures



Lawrence R. Barker, Esq.

Public Arbitrator, Presiding Chair

2/14/01

Signature Date

Thomas D. Reese, Esq.

Public Arbitrator

Signature Date

Robert A. Jette, Jr., Esq.

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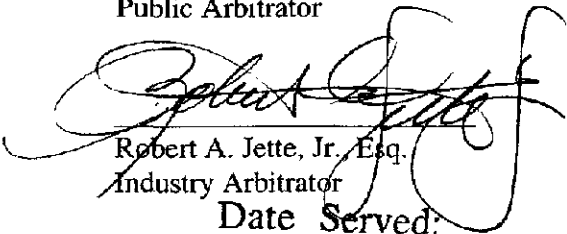
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Lawrence R. Barker, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Thomas D. Reese, Esq.
Public Arbitrator

Signature Date



Robert A. Jette, Jr., Esq.
Industry Arbitrator

02-12-01

Signature Date

Date Served:

FEB 15 2001

Date of Service (For NASD office use only)