

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:
Jim Shaw, Claimant v. E*Trade Securities, Inc., Respondent

Case Number: 00-01076

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

Timothy A. Canning, Esq.
Law Office of Timothy A. Canning
San Francisco, California

For Respondent:

Paul S. Chan, Esq.
Bird, Marella, Boxer & Wolpert
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: March 3, 2000

Claimant's Uniform Submission Agreement signed: October 27, 1999

Statement of Answer filed by Respondent E*Trade Securities, Inc.: May 26, 2000

CASE SUMMARY

Claimant alleged negligence, fraud, breach of contract, and breach of fiduciary.

Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$68,000.00 in compensatory damages, \$10,000.00 in lost profits, punitive damages, and reimbursement for costs of arbitration. Allegations arose out of the purchase and sale of shares in Sovereign Bancorp, Inc.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety, and reimbursement for costs of arbitration.

OTHER ISSUES CONSIDERED AND DECIDED

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

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

- 1) Claimant's claims are denied in their entirety.
- 2) Claimant's request for punitive damages is denied.
- 3) Each party shall bear its own costs, including attorney's fees.
- 4) All other relief not expressly granted is denied.

FEEES

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	= \$ 225.00
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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 events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm E*Trade Securities, 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: December 11, 2000 1 session	
2 Hearing sessions @ \$750.00/session	= \$ 1,500.00
Hearings: April 10, 2001 2 sessions	
Total Forum Fees	= \$ 2,250.00

1. The Panel assessed \$ 1,125.00 of the forum fees to Jim Shaw, Claimant.
2. The Panel assessed \$ 1,125.00 of the forum fees to E*Trade Securities, Inc., Respondent.

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, Jim Shaw, requested 5 copies @ \$.50	= \$ 2.50
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Fee Summary

1. Claimant, Jim Shaw, is charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 1,125.00
Administrative Costs	= \$ 2.50
Total Fees	= \$ 1,352.50
Less Payments	= \$ (975.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 377.50
2. Respondent, E*Trade Securities, Inc., is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
Forum Fees	= \$ 1,125.00
Total Fees	= \$ 4,225.00
Less Payments	= \$ (600.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,625.00

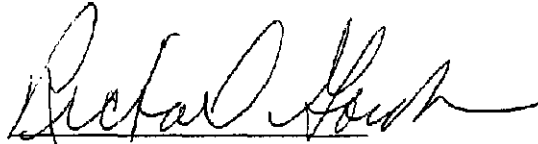
NASD Dispute Resolution, Inc.

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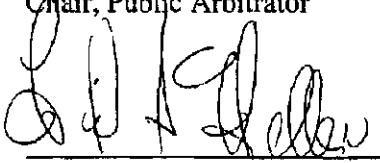
All balances are payable to NASD Dispute Resolution, Inc. and are to be paid upon receipt of the Award pursuant to Rule 10330(g) of the Code.

Concurring Arbitrators' Signatures



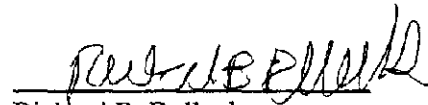
Richard Gordon, Esq.
Chair, Public Arbitrator

4-12-01
Signature Date



Lionel S. Heller
Public Arbitrator

4-12-01
Signature Date



Richard B. Bullock
Non-Public Arbitrator

4-12-01
Signature Date

4.12.01
Date of Service