

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

Jeffrey E. Brandlin and Karen B. Brandlin, Claimants v. Bear Stearns & Co., Inc., Craig Laucks and James Lawrence ("Larry") Mills, Respondents

Case Number: 00-03279

Hearing Site: Los Angeles, California

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**REPRESENTATION OF PARTIES**

For Claimants:

H. Thomas Fehn, Esq.  
Fields, Fehn & Sherwin  
Los Angeles, California

For Respondents:

Stephen Young, Esq.  
Todd Adkins, Esq.  
Keesal, Young & Logan  
Long Beach, California

**CASE INFORMATION**

Statement of Claim filed: July 28, 2001

Claimants' Joint Uniform Submission Agreement signed: July 27, 2001

Joint Statement of Answer filed by Respondents: September 22, 2001

Respondent Bear, Stearns & Co., Inc.'s Uniform Submission Agreement signed:  
September 20, 2001

Respondent Craig S. Laucks' Uniform Submission Agreement signed: September 5, 2001

Respondent James Lawrence Mills' Uniform Submission Agreement signed: September 5, 2001

**CASE SUMMARY**

Claimants alleged breach of contract, breach of fiduciary duty, unsuitable securities recommendations, misrepresentation, fraud, unauthorized trading, and violation of state and federal securities laws and regulations involving the purchase and sale of unspecified securities.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

### **RELIEF REQUESTED**

Claimants requested \$773,300.00 in compensatory damages, the amount that would have been earned on the invested capital had it been managed properly, punitive damages, reimbursement of arbitration costs and attorney's fees.

Respondents requested that the Claimants take nothing by way of their Statement of Claim and reimbursement of arbitration costs.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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) Respondents Craig Laucks and James Lawrence Mills are jointly and severally liable to and shall pay Claimants \$45,368.00 in compensatory damages.
- 2) Respondent Bear Stearns & Co., Inc. is liable to and shall pay Claimant \$10,000.00 in compensatory damages.
- 3) Respondent Bear Stearns & Co., Inc. shall reimburse Claimants \$375.00 for filing fees. The parties shall each bear their other respective 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 Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 375.00
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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 that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Bear Stearns & Co., Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 3,500.00</u>
<b>Total Member Fees</b>	<b>= \$ 6,100.00</b>

### **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:

2 Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 2,400.00
Pre-hearing conferences: February 15, 2001 1 session	
September 13, 2001 1 session	
4 Hearing sessions @ \$1,200.00/session	= \$ 4,800.00
Hearings: January 8, 2002 2 sessions	
January 9, 2002 2 sessions	
<b>Total Forum Fees</b>	<b>= \$ 7,200.00</b>

The Panel assessed \$7,200.00 of the forum fees to Respondent Bear Stearns & Co., Inc.

### **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 sundry other requests.

Bear Stearns & Co., Inc. requested 54 Photocopies @ \$0.50:	= \$ 27.00
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### **Fee Summary**

1. Claimants, Jeffrey E. Brandlin and Karen B. Brandlin, are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Less payments by Jeffrey E. Brandlin</u>	<u>= \$(1,575.00)</u>
<b>Refund Due to Jeffrey E. Brandlin</b>	<b>= \$(1,200.00)</b>

2. Respondent, Bear, Stearns & Co., Inc., is charged with the following fees and costs:

Member Fees	= \$ 6,100.00
Forum Fees	= \$ 7,200.00
<u>Administrative Costs</u>	= \$ 27.00
Total Fees	= \$13,327.00
<u>Less payments</u>	= \$(6,100.00)
<b>Balance Due NASD Dispute Resolution, Inc.</b>	<b>= \$ 7,227.00</b>

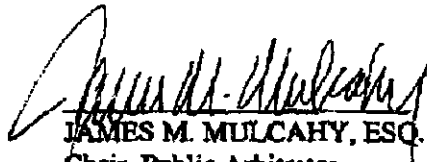
All balances are payable to NASD Dispute Resolution, Inc. and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

James M. Mulcahy, Esq.  
Charles L. Repp, Jr.  
Terry Ann Novorr

- Public Arbitrator, Presiding Chair  
- Public Arbitrator  
- Non-Public Arbitrator

Concurring Arbitrators' Signatures:

  
JAMES M. MULCAHY, ESQ.  
Chair, Public Arbitrator

1/11/02  
Signature Date

CHARLES L. REPP, JR.  
Public Arbitrator

Signature Date

TERRY ANN NOVORR  
Non-Public Arbitrator

Signature Date

1-11-02  
Date of Service

NASD Dispute Resolution, Inc.

Arbitration No. 00-03279

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<i>Charles L. Repp, Jr.</i>	-	<i>Public Arbitrator</i>
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