

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

James Chen, individually and as Custodian for Peter Chen, and John Chen, Claimants v.
E*Trade Securities, Inc., Respondent

Case Number: 00-03762

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimants:

G. Mark Brewer, Esq.
The Brewer Law Firm
La Jolla, California

For Respondent:

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

CASE INFORMATION

Statement of Claim filed: August 25, 2000

Claimants' Uniform Submission Agreement signed: August 19, 2000

Statement of Answer filed by Respondent E*Trade Securities, Inc.: November 3, 2000

Respondent's Uniform Submission Agreement signed: September 20, 2000

CASE SUMMARY

Claimants alleged negligence and breach of fiduciary duty. The dispute involved the purchase and/or sale of Palm, Inc. stock.

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

RELIEF REQUESTED

Claimants requested incidental losses, actual, consequential, and general damages of at least \$77,388.43, and reimbursement of arbitration costs and attorney's fees.

Respondent requested dismissal of the Claimants' Statement of Claim in its entirety and 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) Claimants' claims are denied in their entirety.
- 2) Claimants James Chen, individually and as Custodian for Peter Chen, and John Chen are jointly and severally liable to and shall pay Respondent \$3,100.00 for arbitration costs.
- 3) The parties shall bear their 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	= \$ 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

Adjournment Fees

The following adjournment fees are assessed:

Hearing Dates, November 5, 2001 – November 8, 2001 adjournment requested by Claimants Fee Waived by Arbitration Panel	= \$ 0.00
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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: April 30, 2001 1 session	
2 Hearing sessions @ \$ 750.00/session	= \$ 1,500.00
Hearing: November 28, 2001 2 sessions	
Total Forum Fees	= \$ 2,250.00

The Panel assessed \$ 2,250.00 of the forum fees jointly and severally to Claimants James Chen, individually and as Custodian for Peter Chen, and John Chen.

Fee Summary

1. Claimants James Chen, individually and as Custodian for Peter Chen, and John Chen are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	<u>= \$ 2,250.00</u>
Total Fees	= \$ 2,475.00
<u>Less payments</u>	<u>= \$ (995.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,480.00

2. Respondent E*Trade Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
<u>Less payments</u>	<u>= \$(1,600.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,500.00

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

Jerry Elner, Esq.	-	Public Arbitrator, Presiding Chair
Charles E. Rumbaugh, Esq.	-	Public Arbitrator
Alfred E. Monahan	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Jerry Elner, Esq.
Chair, Public Arbitrator

12/17/01
Signature Date

Charles E. Rumbaugh, Esq.
Public Arbitrator

Signature Date

Alfred E. Monahan
Non-Public Arbitrator

Signature Date

1/2/02
Date of Service

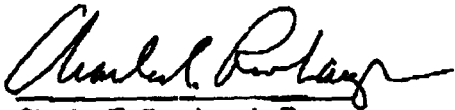
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Chair, Public Arbitrator

Signature Date



Charles E. Rumbaugh, Esq.
Public Arbitrator

12/18/01

Signature Date

Alfred E. Monahan
Non-Public Arbitrator

Signature Date

1/2/02

Date of Service

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