

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

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In the Matter of the Arbitration Between:

Jiun Chi Minn, Claimant v. Charles Schwab & Co., Inc., Respondent v. Ted Chu, Third-Party Respondent

Case Number: 00-04339

Hearing Site: Los Angeles, California

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**REPRESENTATION OF PARTIES**

For Claimant Jiun Chi Minn:

Jiun Chi Minn  
In Propria Persona  
Torrance, California

For Respondent Charles Schwab & Co., Inc.:

Brandon K. Hemley, Esq.  
Charles Schwab & Co., Inc.  
San Francisco, California

For Third-Party Respondent Ted Chu:

Ted Chu  
In Propria Persona  
Torrance, California

**CASE INFORMATION**

Statement of Claim filed: September 26, 2000

Claimant's Uniform Submission Agreement signed: September 26, 2000

Statement of Answer, Counterclaim, and Third-Party Claim filed by Respondent Charles Schwab & Co., Inc.: December 7, 2000

Charles Schwab & Co., Inc.'s Uniform Submission Agreement signed: December 4, 2000

Statement of Answer and Counterclaim filed by Third-Party Respondent Ted Chu: January 18, 2001

Ted Chu's Uniform Submission Agreement signed: February 7, 2001

### **CASE SUMMARY**

Claimant Jiun Chi Minn ("Minn") alleged unauthorized trading, on-line trading error, and improper margin call.

Charles Schwab & Co., Inc. ("Schwab") denied the allegations of wrongdoing set forth in the Minn's Statement of Claim and filed a Counterclaim against Minn for the debit balance in her account. Schwab also filed a Third-Party Claim against Ted Chu ("Chu") for indemnity.

Chu denied the allegations of wrongdoing set forth in Schwab's Third-Party Claim and filed a Counterclaim alleging that it was Schwab's computer error that caused the damage. Schwab denied the allegations of wrongdoing set forth in Chu's Counterclaim.

### **RELIEF REQUESTED**

Jiun Chi Minn requested actual damages plus interest and costs in the amount of \$39,805.21 and punitive damages of \$100,000.00.

Charles Schwab & Co., Inc. requested dismissal of the Claimant's Statement of Claim in its entirety and requested \$12,966.73 in actual damages in its Counterclaim against Minn, plus costs and attorney's fees. Schwab also requested indemnification in its Third-Party Complaint against Ted Chu.

Ted Chu requested unspecified punitive damages and costs in his Counterclaim against Schwab.

### **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, evidence presented at the hearing, and post-hearing submissions, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant Jiun Chi Minn's Statement of Claim is dismissed with prejudice and her request for damages is expressly denied.

- 2) Third Party Counterclaimant Ted Chu's Counterclaim is dismissed with prejudice and his request for damages is expressly denied.
- 3) Counter-Respondent Jiun Chi Minn is liable and shall pay Counter-Claimant Charles Schwab & Co., Inc. the sum of \$12,966.73 in compensatory damages, plus simple interest at the rate of 7% per annum from April 1, 2000 until the award is paid in full.
- 4) Each party shall bear its/his/her own costs, including attorney's fees.
- 5) All other relief 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	= \$ 300.00
Charles Schwab & Co., Inc.'s Counterclaim and Third-Party Claim	= \$ 1,000.00
Ted Chu's Counterclaim	= \$ 250.00

#### **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 Charles Schwab & Co., Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	= \$ 2,500.00
<b>Total Member Fees</b>	<b>= \$ 4,600.00</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 Panel. The following fees are assessed:

1 Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: March 7, 2001 1 session	

4 Hearing sessions @ \$1,125.00/session		= \$ 4,500.00
Hearings:	August 13, 2001	2 sessions
	August 14, 2001	2 sessions
<b>Total Forum Fees</b>		<b>= \$ 5,625.00</b>

1. The Panel assessed \$2,812.50 of the forum fees jointly and severally to Claimant Jiun Chi Minn and Third-Party Respondent Ted Chu.
2. The Panel assessed \$2,812.50 of the forum fees to Respondent Charles Schwab & 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.

Respondent Charles Schwab & Co., Inc., requested 10 photocopies @ \$.50:	= \$ 5.00
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Third-Party Respondent Ted Chu, requested 5 copies of Audiotapes @ \$15.00:	= \$ 75.00
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#### **Fee Summary**

1. Jiun Chi Minn is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Less payments</u>	<u>= \$ (300.00)</u>
<b>Balance Due NASD Dispute Resolution, Inc.</b>	<b>= \$ 0.00</b>
2. Charles Schwab & Co., Inc. is charged with the following fees and costs:

Counterclaim and Third-Party Claim Filing Fee	= \$ 1,000.00
Member Fees	= \$ 4,600.00
Forum Fees	= \$ 2,812.50
<u>Administrative Costs</u>	<u>= \$ 5.00</u>
<b>Total Fees</b>	<b>= \$ 8,417.00</b>
<u>Less payments</u>	<u>= \$(6,950.00)</u>
<b>Balance Due NASD Dispute Resolution, Inc.</b>	<b>= \$(1,467.50)</b>

NASD Dispute Resolution, Inc.

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3. Ted Chu is charged with the following fees and costs:

Counterclaim Filing Fee	= \$ 250.00
<u>Administrative Costs</u>	= \$ 75.00
Total Fees	= \$ 325.00
<u>Less payments</u>	= \$ (325.00)
<b>Balance Due NASD Dispute Resolution, Inc.</b>	<b>= 0.00</b>

4. Jiun Chi Minn and Ted Chu are charged jointly and severally with the following fees and costs:

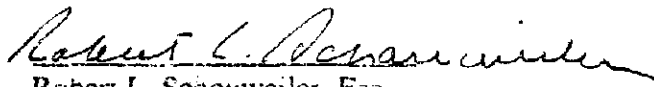
Forum Fees	= \$ 2,812.50
Less payment by Jiun Chi Minn	= \$(1,125.00)
<u>Less payment by Ted Chu</u>	<u>= \$(1,000.00)</u>
<b>Balance Due NASD Dispute Resolution, Inc.</b>	<b>= \$ 687.50</b>

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**

<i>Robert L. Schouweiler, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>G. Timothy Haight, DBA</i>	-	<i>Public Arbitrator</i>
<i>Thomas W. McCausland</i>	-	<i>Non-Public Arbitrator</i>

**Concurring Arbitrators' Signatures**

  
Robert L. Schouweiler, Esq.  
Chair, Public Arbitrator

10/25/01  
Signature Date

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G. Timothy Haight, DBA  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Thomas W. McCausland  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

11-6-01  
Date of Service


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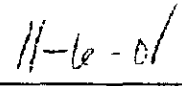
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Industry Arbitrator

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Signature Date

*T.W. McCausland*  
\_\_\_\_\_  
Thomas W. McCausland  
Industry Arbitrator

*10-25-2001*  
\_\_\_\_\_  
Signature Date

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