

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Kathleen Nelson, individually and as Trustee of the Kathleen Nelson Revocable Trust, Claimant
v. Clifton Blanchard, Premier Investment Services n/k/a Premier Asset Management, LLC,
Christine Ashjian, Jack White & Company n/k/a TD Waterhouse Investor Services, Inc.,
Respondents

Case Number: 00-05136

Hearing Site: San Francisco, California

REPRESENTATION OF PARTIES

For Claimant:

Alan W. Sparer, Esq.
Jonathan W. Hughes, Esq.
Law Offices of Howard, Rice, Nemerovski,
Canady, Falk and Rabkin, A Professional Corporation
San Francisco, California

James Jay Seltzer, Esq.
Law Offices of James Jay Seltzer
Emeryville, California

For Respondents Clifton Blanchard and
Premier Investment Services n/k/a
Premier Asset Management, LLC:

Clifton Blanchard
Carlsbad, California

For Respondent Christine D. Ashjian:

Christine D. Ashjian
Carlsbad, California

For Respondent TD Waterhouse
Investor Services, Inc.:

Michael J. Abbott, Esq.
John Erikson, Jr., Esq.
Jones, Bell, Abbott, Fleming & Fitzgerald, L.L.P.
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: November 17, 2000

Claimant's Uniform Submission Agreement signed: December 14, 2000

Joint Statement of Answer filed by Respondents Clifton Blanchard, Premier Investment Services and Premier Asset Management, LLC: February 12, 2001

Respondents Clifton Blanchard, Premier Investment Services and Premier Asset Management, LLC
Joint Uniform Submission Agreement signed: March 11, 2002

Statement of Answer filed by Respondent Christine D. Ashjian: February 28, 2001

Respondent Christine D. Ashjian Uniform Submission Agreement signed: February 28, 2001

Statement of Answer filed by Respondent TD Waterhouse Investor Services, Inc.: April 5, 2001

Respondent TD Waterhouse Investor Services, Inc.'s Uniform Submission Agreement signed: April 5, 2001

CASE SUMMARY

Claimant alleged breach of contract, breach of fiduciary duty, fraud, negligent misrepresentation, negligence, failure to supervise, failure to notify regarding margin calls, breach of duty of suitability, unauthorized trading, unfair competition, and violations of California Civil Code § 1750.

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

RELIEF REQUESTED

Claimant requested \$4,000,000 in compensatory damages, restitution, disgorgement, \$10,000,000 in punitive damages, pre-judgment interest, costs and attorney's fees.

Respondents each requested dismissal of the Claimant's Statement of Claim in its entirety. In addition, Respondent TD Waterhouse Investor Services, Inc., requested costs incurred in connection with the defense of this Arbitration.

OTHER ISSUES CONSIDERED AND DECIDED

On December 19, 2000, Clifton Blanchard filed for Chapter 7 Bankruptcy. On March 26, 2001, Claimant Kathleen Nelson filed a Complaint to Determine the Non-Dischargeability of Certain Debt of Clifton Blanchard. On June 8, 2001, the court signed a Stipulation and Order, providing that Claimant is entitled to relief from the automatic stay of bankruptcy for the purposes of pursuing all *claims she has asserted or may assert in this Arbitration proceeding.*

Claimant submitted a motion in limine the first day of Hearing to which Respondent TD Waterhouse Investor Services, Inc., responded the next day. The subject concerned 1998 and 2002 phone records. The Panel ultimately denied Claimant's motion in limine.

Claimant moved to exclude inadvertent disclosure of attorney-client communication. The Panel ultimately ruled that such evidence would not be admitted into evidence. (See item number 1 referenced below for further discussion regarding this document.)

Respondent Clifton Blanchard moved that information concerning his professional insurance be considered privileged communication. The Panel ruled that the communication did not fall under attorney-client privileged communication as the attorney was not his attorney or acting on his behalf.

In deliberating the Award, the Panel determined that all documents submitted by the parties would be considered as evidence, except the following:

1. Respondent Clifton Blanchard's Binder Exhibit 24, document N1460 (same as TD Waterhouse Investor Services, Inc., Binder Vol. I, Exhibit 86). This document was inadvertently disclosed by Claimant and the Panel determined that the attorney-client privilege was applicable.
2. Respondent TD Waterhouse Investor Services, Inc., Exhibits 132 through 138. These documents were not identified by TD Waterhouse Investor Services, Inc., in their pre-trial list of exhibits and were used solely to present TD Waterhouse Investor Services, Inc.'s case-in-chief. The Code of Arbitration Procedure section 10321(c) allows use of documents not identified in a pre-hearing list for cross-examination or rebuttal, but the Panel determined that neither exception applied.

Claimant objected to the admissibility of TD Waterhouse Investor Services, Inc., Exhibit 131 (the Complaint in Claimant's suit against Ascent). The Panel determined the document to be admissible because it was used by TD Waterhouse Investor Services, Inc., in the cross-examination of Claimant Nelson.

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 unanimously decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are denied in their entirety.
2. The parties shall bear their respective costs, including attorney's fees.
3. All other relief not expressly granted is denied.

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Christine D. Ashjian, Clifton Blanchard, Premier Investment Services n/k/a Premier Asset Management (an unregistered entity) and TD Waterhouse Investor Services, Inc.'s, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Christine D. Ashjian, Clifton Blanchard, Premier Investment Services n/k/a Premier Asset Management and TD Waterhouse Investor Services, Inc. must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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	= \$ 600.00
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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 TD Waterhouse Investor Services, Inc., is a party and the following fees are assessed:

Member Surcharge	= \$ 3,600.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 9,200.00

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 Chair/Panel. The following fees are assessed:

4 Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$ 4,800.00

Pre-hearing conferences: August 10, 2001 1 session
 October 15, 2001 1 session
 November 21, 2001 1 session
 December 17, 2001 1 session

12 Hearing sessions @ \$1,200.00/session = \$14,400.00

Hearings: January 21, 2002 2 sessions
 January 22, 2002 2 sessions
 January 23, 2002 2 sessions
 January 24, 2002 3 sessions
 January 25, 2002 3 sessions

Total Forum Fees = \$19,200.00

The Panel assessed \$15,600.00 of the forum fees to Claimant.

The Panel assessed \$2,400.00 of the forum fees jointly and severally to Respondents Clifton Blanchard and Premier Investment Services n/k/a Premier Asset Management, LLC.

The Panel assessed \$1,200.00 of the forum fees to Respondent TD Waterhouse Investor Services, 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.

Claimant, Kathleen Nelson, requested copies of Arbitrator Awards: =\$ 70.00

Fee Summary

1. Claimant, Kathleen Nelson, individually and as Trustee of the Kathleen Nelson Revocable Trust, is charged with the following fees and costs:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$15,600.00
<u>Administrative Costs</u>	<u>= \$ 70.00</u>
Total Fees	= \$16,270.00
<u>Less payments</u>	<u>= \$(1,870.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 14,400.00

2. Respondents, Clifton Blanchard and Premier Investment Services n/k/a Premier Asset Management, LLC, are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	<u>= \$ 2,400.00</u>
Total Fees	= \$ 2,400.00
<u>Less payments</u>	<u>= \$(0.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,400.00

3. Respondent, TD Waterhouse Investor Services, Inc., is charged with the following fees and costs:

Member Fees	= \$ 9,200.00
<u>Forum Fees</u>	<u>= \$ 1,200.00</u>
Total Fees	= \$10,400.00
<u>Less payments</u>	<u>= \$(4,200.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,200.00

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.

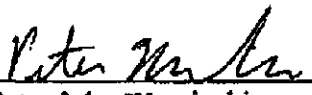
ARBITRATION PANEL

<i>Julie D. Soo, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Peter John Wercinski</i>	-	<i>Public Arbitrator</i>
<i>Juleanne A. Thiebaut</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Julie D. Soo, Esq.
Chair, Public Arbitrator

Signature Date


Peter John Wercinski
Public Arbitrator

3/31/02
Signature Date

Juleanne A. Thiebaut
Non-Public Arbitrator

Signature Date

4/2/02
Date of Service

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<i>Julianne A. Thiebaut</i>	-	<i>Non-Public Arbitrator</i>

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Non-Public Arbitrator

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