

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Micki Delp and the Micki Delp IRA Guarantee & Trust Co., Claimants v. Hanmi Securities, Inc., Eul Hyung Choi, Jin U. Lee, and Jay S. Lee, Respondents

Case Number: 00-05540

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

Steven B. Lehat, Esq.
Irvine, California

For Respondents Hanmi Securities, Inc.
and Eul Hyung Choi:

Eul Hyung Choi
Hanmi Securities, Inc.
Los Angeles, California

For Respondent Jin. U. Lee:

Jin U. Lee
Pro Per Representation
City of Industry, California

For Respondent Jay S. Lee:

Jay S. Lee
Pro Per Representation
Buena Park, California

CASE INFORMATION

Statement of Claim filed: December 13, 2000

Claimants' Uniform Submission Agreement filed: November 28, 2000

Joint Statement of Answer filed by Respondents Hanmi Securities, Inc. and Eul Hyung Choi:
March 7, 2001

Respondent Hanmi Securities, Inc.'s Uniform Submission Agreement signed: February 27, 2001

Respondent Eul Hyung Choi's Uniform Submission Agreement signed: February 27, 2001

Statement of Answer filed by Respondent Jay S. Lee: August 22, 2002

CASE SUMMARY

Claimants' Statement of Claim alleged suitability, churning, unauthorized trading, breach of fiduciary duty, negligence, misrepresentations, non-disclosures, omissions of fact, and failure to supervise. The allegations concern the purchase and/or sale of various securities in Claimants' investment and margin accounts held with Respondent Hanmi Securities, Inc.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages of \$89,000.00, including reimbursement of commissions, punitive damages of \$237,000.00, interest of \$32,600.00, and reimbursement for costs incurred, including attorneys' fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety and sought reimbursement for arbitration costs.

OTHER ISSUES CONSIDERED AND DECIDED

On August 23, 2002, Claimants' voluntarily dismissed Respondent Jin U. Lee from the above captioned arbitration. Claimants' dismissal was based upon the finding that Respondent Jin U. Lee was inappropriately named as a Respondent in the Statement of Claim.

On June 12, 2003, Claimants' counsel, Steven B. Lehat, informed the Panel that a settlement agreement had been reached between Claimants and Respondents Hanmi Securities, Inc. and Eul Hyung Choi.

Respondent Jay S. Lee did not file with the NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("the Code") and having answered the claim 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 due deliberation and upon the Panel's own initiative, the Panel hereby issues an Order to Dismiss Without Prejudice the above-captioned arbitration pursuant to Rule 10305 of the Code.

In issuing the Order to Dismiss Without Prejudice, the Panel has made the following findings:

- 1) Pursuant to Rule 10305 of the Code, the Panel refers the parties to their judicial remedies, or to any dispute resolution forum agreed to by the parties, without prejudice to any claims or defenses available to any party. The Panel has selected this course of action because the Panel believes that to delay and postpone any longer would deny justice to all parties. The Panel believes the purpose of arbitration is to get to the hearing. This goal does not seem possible in the above captioned case. As a result of this Order, the Claimants will be free to pursue judicial action or remedies in addition to the possibility of bringing another arbitration before the NASD at a later date
- 2) The Panel is in receipt of Claimants' letter of June 12, 2003. The Panel notes that Claimants have signed a confidential settlement agreement with Respondents Hanmi Securities, Inc. and Respondent Eul Hyung Choi.
- 3) The Panel is informed that Respondent Jay S. Lee cannot be reached by Claimants or NASD staff and has allegedly left the country.
- 4) The Panel does not agree with Claimants' contention that they are being "threatened for the dilatory behavior of Respondent Jay Lee". While it required a considerable amount of time for Claimants to properly identify and locate Respondent Jay S. Lee, he was eventually found and subsequently provided an Answer to Claimants' Statement of Claim. At some point in time Respondent Jay S. Lee was communicating with NASD staff and Claimants. However, at the current time Respondent Jay S. Lee is out of the reach of the Claimants and this Panel.
- 5) Due to the dismissal without prejudice of Respondent Jin U. Lee upon a finding that he was not required to submit to arbitration pursuant to the Code, the Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Jin U. Lee's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Jin U. Lee must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 6) The parties shall bear their respective costs, including attorney's fees.
- 7) 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 received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
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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 Hanmi Securities, 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
Total Member Fees	= \$ 4,600.00

Adjournment Fees

The following adjournment fees are assessed:

March 18-20, 2002, adjournment requested by Claimants Micki Delp and The Micki Delp IRA	= \$1,125.00
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Adjournment Fee waived by order of the Panel.

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 Chairperson and/or the Panel. The following fees are assessed:

(5) Five Pre-hearing conference sessions with a single arbitrator @ \$ 450.00/session = \$ 2,250.00

Pre-hearing conferences:	September 6, 2001	1 session
	September 28, 2001	1 session
	February 7, 2002	1 session
	April 15, 2002	1 session
	May 24, 2002	1 session

(1) One Pre-hearing conference session with the Panel @ \$ 1,125.00/session	= \$ 1,125.00	
Pre-hearing conferences:	August 27, 2001	1 session

Total Forum Fees	= \$ 3,375.00
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1. The Panel assessed \$1,687.50 of the forum fees jointly and severally to Claimants Micki Delp and the Micki Delp IRA Guarantee & Trust Co.
2. The Panel assessed \$1,687.50 of the forum fees to Respondent Hanmi Securities, Inc.

Fee Summary

1. Claimants Micki Delp and the Micki Delp IRA Guarantee & Trust Co. are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 1,687.50
Total Fees	= \$ 1,987.50
<u>Less payments</u>	= \$ (1,425.00)
Balance Due NASD Dispute Resolution	= \$ 562.50

2. Respondent Hanmi Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 4,600.00
<u>Forum Fees</u>	= \$ 1,687.50
Total Fees	= \$ 6,287.50
<u>Less payments</u>	= \$ (4,600.00)
Balance Due NASD Dispute Resolution	= \$ 1,687.50

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

ARBITRATION PANEL

E. June McLaughlin-Cheng, Esq.	-	Public Arbitrator, Presiding Chair
G. Timothy Haight, DBA	-	Public Arbitrator
Roberta Haft	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


E. JUNE MCLAUGHLIN-CHENG, ESQ.
Chair, Public Arbitrator

8/15/03
Signature Date

G. TIMOTHY HAIGHT
Public Arbitrator

Signature Date

ROBERTA HAFT
Non-Public Arbitrator

Signature Date

8/20/03
Date of Service

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Public Arbitrator

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ROBERTA HAFT
Non-Public Arbitrator

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Public Arbitrator

Signature Date


ROBERTA HAFT
Non-Public Arbitrator

8-14-03
Signature Date

8/20/03
Date of Service