

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jay S. Lee, Direct Access Trader Corporation and InvestIN Securities Corporation,
Claimants/Counter-Respondents v. Hanmi Securities, Inc., Respondent/Counter-Claimant

Case Number: 01-01479

Hearing Site: Los Angeles, California

Nature of the Dispute: Associated Person, Non-Member and Member vs. Member

REPRESENTATION OF PARTIES

For Claimant/Counter-Respondent Jay S. Lee:

George T. Kelley, Esq.
Law Offices of George T.
Kelley
Long Beach, California

For Claimants/Counter-Respondents Direct Access Trader
Corporation and InvestIN Securities Corporation:

Robert P. Friedman, Esq.
Law Offices of Robert P.
Friedman
Bel Air, California

For Respondent/Counter-Claimant Hanmi Securities, Inc.:

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

CASE INFORMATION

Statement of Claim filed: March 16, 2001

Claimant/Counter-Respondent Jay S. Lee's Uniform Submission Agreement signed:
May 24, 2001

Claimant/Counter-Respondents Direct Access Trader Corporation and InvestIN Securities
Corporation Joint Statement of Answer to Counterclaim filed: August 22, 2001

Claimant/Counter-Respondent Direct Access Trader Corporation's Uniform Submission
Agreement signed: June 1, 2001

Claimant/Counter-Respondent InvestIN Securities Corporation's Uniform Submission Agreement
signed: May 17, 2001

Statement of Answer and Counter-Claim filed by Respondent/Counter-Claimant Hanmi Securities, Inc.: August 10, 2003

Respondent/Counter-Claimant's Uniform Submission Agreement signed: August 2, 2001

CASE SUMMARY

This is an action for breach of fiduciary duty, unfair business practices and related claims that was originally filed in the California Superior Court, County of Los Angeles on December 28, 2000 by Respondent/Counter-Claimant, Hanmi Securities, Inc. Claimants/Counter-Respondents, Jay S. Lee, InvestIN Securities Corporation and Direct Access Trader Corporation were named as Defendants in that action. On March 16, 2001, Claimant/Counter-Respondent, Jay S. Lee, filed a Demand for Arbitration. As a result, the Superior Court stayed the action and referred the matter to NASD arbitration. Claimant/Counter-Respondent, Jay S. Lee filed a Statement of Claim with the NASD. Claimants/Counter-Respondents Direct Access Corporation and InvestIN Securities Corporation joined in the Statement of Claim. Respondent, Hanmi Securities, Inc., filed a Counterclaim in which it repeated the allegations of wrongdoing as set forth in the Superior Court complaint. In its counterclaim, Hanmi Securities, Inc. alleged that Counter-Respondent, Jay S. Lee secretly agreed to work for Hanmi's competitors while remaining employed to Hanmi. The counterclaim alleged, breach of fiduciary duty, against Claimant/Counter-Respondent Jay S. Lee. It alleged unfair business practices, defamation/trade libel/false light, violation of the Trades Secret Act, conversion and interference with contract/business advantage and conspiracy against all Counter-Respondents.

Claimants/Counter-Respondents denied the allegations of wrongdoing set forth in the Counter-Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimants/Counter-Respondents requested dismissal of the Counterclaim in its entirety, attorney's fees and costs.

Respondent/Counter-Claimant, Hanmi Securities, Inc., requested unspecified compensatory damages, punitive damages according to proof, prejudgment interest, costs including attorney's fees, declaratory and/or injunctive relief.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant/Counter-Respondent Jay S. Lee did not submit an answer to the counter-claim but he appeared and testified at the hearing, and 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 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/Counter-Respondents claim is denied in its entirety.
- 2) Claimant/Cross-Respondent Jay S. Lee is liable to and shall pay Respondent/Counter-Claimant Hanmi Securities, Inc. compensatory damages in the sum of \$44,000.00.
- 3) Claimant/Cross-Respondent Jay S. Lee is liable to and shall pay Respondent/Counter-Claimant Hanmi Securities, Inc. interest on the sum of \$44,000.00 at the rate of 7% per annum from January 1, 2002 until October 30, 2003.
- 4) Respondent/Counter-Claimant Hanmi Securities, Inc.'s claim for punitive damages is denied.
- 5) Respondent/Counter-Claimant Hanmi Securities, Inc.'s claim for declaratory and/or injunctive relief is denied.
- 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	= \$ 500.00
Counter-claim filing fee	= \$ 500.00

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.

The member firm Hanmi Securities Inc. is a party and the following fees are assessed:

Member Surcharge	= \$1,200.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$2,000.00
Total Member Fees	= \$3,800.00

The member firm InvestIn Securities Corporation is a party and the following fees are assessed:

Member Surcharge	= \$1,200.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$2,000.00
Total Member Fees	= \$3,800.00

Adjournment Fees

The following adjournment fees are assessed:

May 14-16, 2002, adjournment jointly requested by all parties.
Panel assessed the fees 50% to Claimants/Counter-Respondents jointly and severally, and 50% to Respondent/Counter-Claimant. = \$1,000.00

July 17-18, 2002, adjournment jointly requested by all parties.
Panel assessed fees 50% to Claimants/Counter-Respondents jointly and severally and 50% to Respondent/Counter-Claimant. = \$1,500.00

January 23-27, 2003 adjournment requested by Claimant/Counter-Respondent Jay S. Lee. Panel assessed fees to Claimant/Counter-Respondent Jay S. Lee = \$1,000.00

March 18-20, 2003 adjournment requested by Claimants/Counter-Respondents
Direct Access Trader Corporation and InvestIn Securities Corporation.
Panel assessed the fees jointly and severally to Claimants/Counter-Respondents
Direct Access Trader Corporation and InvestIn Securities Corporation = \$1,000.00

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 Panel. The following fees are assessed:

(2) Pre-hearing conference sessions with the Chair @ \$ 450.00/session	= \$ 900.00
Pre-hearing conferences: June 12, 2002	1 session
August 7, 2002	1 session
(3) Pre-hearing conference sessions with the Panel @ \$1000.00/session	= \$3,000.00
Pre-hearing conferences: November 28, 2001	1 session
May 30, 2002	1 session
January 23, 2003	1 session
(5) Hearing sessions @ \$1,000.00/session	= \$5,000.00
Hearings: September 9, 2002	1 session
October 29, 2003	2 sessions
October 30, 2003	2 sessions
Total Forum Fees	= \$8,900.00

1. The Panel assessed \$4,450.00 of the forum fees to Claimant/Counter-Respondent, Jay S. Lee.
2. The Panel assessed \$4,450.00 of the forum fees jointly and severally to Claimants/Counter-Respondents Direct Access Trader Corporation and InvestIn Securities Incorporated.

Fee Summary

1. Claimants/Counter-respondents Jay S. Lee, Direct Access Trader Corporation and InvestIN Securities Corporation are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= 500.00
Adjournment Fee	= \$ 1,250.00
Total Fees	= \$ 1,750.00
Less payments	= \$(1,750.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Claimant/Counter-Respondent Jay S. Lee is charged solely with the following fees and costs:

Adjournment Fee	= \$ 1,000.00
Forum Fees	= \$ 4,450.00
Total Fees	= \$ 5,450.00
Less Payments	= \$(321.00)
Balance Due NASD Dispute Resolution	= \$ 5,129.00

3. Claimant/Counter-Respondent InvestIn Securities Corporation is solely charged with the following fees and costs:

Member Fees	= \$ 3,800.00
Less payments	= \$(3,800.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Claimants/Counter-Respondents Direct Access Trader Corporation and InvestIn Securities Corporation are charged jointly and severally with the following fees and costs:

Adjournment Fee	= \$ 1,000.00
Forum Fees	= \$ 4,450.00
Less Payments	= \$ (71.00)
Balance Due NASD Dispute Resolution	= \$ 5,379.00

5. Respondent/Counter-Claimant Hanmi Securities, Inc. is charged solely with the following fees and costs:


Counter-claim Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 1,250.00
Forum Fees	= \$ 3,800.00
Total Fees	= \$ 5,550.00
Less Payments	= \$ (5,800.00)
Refund Due	= \$ (250.00)

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

Anthony D. DeToro, Esq.	-	Public Arbitrator, Presiding Chair
Susan Vernon Wood, Esq.	-	Public Arbitrator
Donald T. Meder	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Anthony D. DeToro, Esq.
Chair, Public Arbitrator

11/18/03

Signature Date

Susan Vernon Wood, Esq.
Public Arbitrator

Signature Date

Donald T. Meder
Non-Public Arbitrator

Signature Date

Date of Service

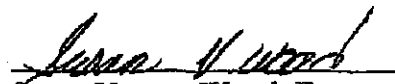
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Anthony D. DeToro, Esq.	-	Public Arbitrator, Presiding Chair
Susan Vernon Wood, Esq.	-	Public Arbitrator
Donald T. Meder	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Anthony D. DeToro, Esq.
Chair, Public Arbitrator

Signature Date


Susan Vernon Wood, Esq.
Public Arbitrator

11/20/03
Signature Date

Donald T. Meder
Non-Public Arbitrator

Signature Date

November 24, 2003
Date of Service

ARBITRATION PANEL

Anthony D. DeToro, Esq.	-	Public Arbitrator, Presiding Chair
Susan Vernon Wood, Esq.	-	Public Arbitrator
Donald T. Meder	-	Non-Public Arbitrator


Concurring Arbitrators' Signatures

Anthony D. DeToro, Esq.
Chair, Public Arbitrator

Signature Date

Susan Vernon Wood, Esq.
Public Arbitrator

Signature Date


Donald T. Meder
Non-Public Arbitrator


Signature Date

Date of Service