

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

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In the Matter of the Arbitration Between

Name of Claimant

Sang Bok Chung  
Sang Bok Chung, IRA

Case No. 01-01771

Names of Respondents

White Discount Securities a/k/a  
Thomas F. White & Company, Inc.  
Claude Tillman  
Bo Flanders

Hearing Site: Atlanta, Georgia

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**REPRESENTATION OF PARTIES**

For Sang Bok Chung and Sang Bok Chung, IRA ("Chung"), hereinafter referred to as "Claimant": Alexander W. Jones, Jr., Esq. and Amy L. Slate, Esq. of Pritchard, McCall & Jones, L.L.C., Birmingham, Alabama.

For White Discount Securities a/k/a Thomas F. White & Company, Inc. ("White"), Claude Tillman ("Tillman") and Bo Flanders ("Flanders"), hereinafter collectively referred to as "Respondents": Michael G. Bolgatz, Staff Attorney, Thomas F. White & Company, Inc. and Robert T. Sullwood, Esq. of Sullwood & Hughes, San Francisco, California.

**CASE INFORMATION**

Statement of Claim filed on or about: April 6, 2001.

Claimant's Motion to Bar Answer from Respondents filed on or about: July 3, 2001.

Claimant signed the Uniform Submission Agreement: April 6, 2001.

Statement of Answer filed by Respondents on or about: July 2, 2001.

Respondents' Response to Claimant's Motion to Bar filed on or about: July 11, 2001.

Respondent White signed the Uniform Submission Agreement: June 15, 2001.

Respondent Flanders signed the Uniform Submission Agreement: June 15, 2001.

Respondent Tillman signed the Uniform Submission Agreement: June 11, 2001.

Notice that effective July 1, 2001 White changed its name to Acument Securities, Inc. filed on or about: July 11, 2001.

### **CASE SUMMARY**

Claimant asserted the following: Respondents wrongfully manipulated Claimant's account by executing excessive sell and buy orders in a manner disproportionate to the account's size; failed to follow Claimant's instructions; and acted in a reckless manner. The causes of action relate to Claimant's investments in Just for Feet and Lucent Technologies, Inc. stock.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

### **RELIEF REQUESTED**

Claimant requested damages of between One Million Dollars and Three Million Dollars.

Respondents requested that Claimant take nothing against Respondents by way of this action; that this Claim, and all allegations therein, be dismissed with prejudice; and, that Respondents be awarded arbitration fees, expenses, and reasonable attorneys' fees incurred in defending this arbitration proceeding.

### **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.

Claimant's Motion to Bar Answer from Respondents is denied.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent Flanders is liable and shall pay to Claimant the sum of \$1,000.00 based upon Claimant's claims of suitability and know your customer.

Respondent Tillman is liable and shall pay to Claimant the sum of \$15,271.00 based upon Claimant's claims of suitability and know your customer.

Respondent White is liable and shall pay to Claimant the sum of \$35,632.00 based upon Respondent White's failure of its supervisory process and procedures.

Any and all relief requests not specifically addressed herein are denied.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$500.00
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#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$4,500.00

#### **Adjournment Fees**

Adjournments requested during these proceedings:

There were no adjournments requested during these proceedings.

#### **Forum Fees and Assessments**

The panel has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One Pre-hearing session with a single arbitrator x \$450.00	= \$450.00
Pre-hearing conference: November 9, 2001	1 session
One Pre-hearing session with Panel x \$1,200.00	= \$1,200.00
Pre-hearing conference: November 7, 2001	1 session
Six Hearing sessions x \$1,200.00	= \$7,200.00
Hearing Dates: January 28, 2002	2 sessions
January 29, 2002	2 sessions
January 30, 2002	2 sessions
Total Forum Fees	= \$8,850.00

The panel has assessed \$4,425.00 of the forum fees to Claimant.  
The panel has assessed \$4,425.00 of the forum fees to Respondent White.

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

**Fee Summary**

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$500.00
Forum Fees	= \$4,425.00

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Total Fees	= \$4,925.00
Less payments	= \$1,700.00

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Balance Due NASD Dispute Resolution, Inc.	= \$3,225.00
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Respondent White be and hereby is solely liable for:

Member Fees	= \$7,600.00
Forum Fees	= \$4,425.00

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Total Fees	= \$12,025.00
Less payments	= \$7,600.00

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Balance Due NASD Dispute Resolution, Inc.	= \$4,425.00
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All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Richard W. Jones, Esq.	-	Public Arbitrator, Presiding Chair
Sonia Fishkin, Esq.	-	Public Arbitrator
Royce Alan Burns	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_/S/\_\_\_\_\_  
Richard W. Jones, Esq.  
Public Arbitrator, Presiding Chair

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

\_\_\_\_\_/S/\_\_\_\_\_  
Sonia Fishkin, Esq.  
Public Arbitrator

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

\_\_\_\_\_/S/\_\_\_\_\_  
Royce Alan Burns  
Non-Public Arbitrator

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

February 22, 2002  
Date of Service (For NASD-Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Richard W. Jones  
Richard W. Jones, Esq.  
Public Arbitrator, Presiding Chair

2-12-02  
Signature Date

Sonia Fishkin, Esq.  
Public Arbitrator

Signature Date

Royce Alan Burns  
Non-Public Arbitrator

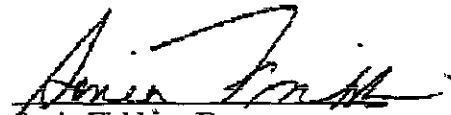
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Concurring Arbitrators' Signatures

\_\_\_\_\_  
Richard W. Jones, Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

  
Sonia Fishkin, Esq.  
Public Arbitrator

2/21/05  
Signature Date

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Royce Alan Burns  
Non-Public Arbitrator

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Signature Date

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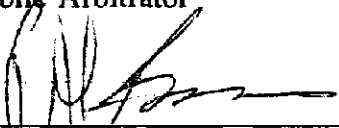
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Public Arbitrator, Presiding Chair

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Signature Date

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Sonia Fishkin, Esq.  
Public Arbitrator

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Signature Date

  
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Royce Alan Burns  
Non-Public Arbitrator

2/8/2001  
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Signature Date

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Date of Service (For NASD-Dispute Resolution office use only)