

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

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In the Matter of the Arbitration Between:

Name of the Claimants  
Scott and Kristine Frohman

Case Number: 01-02791

Name of the Respondent  
Ameritrade, Inc.

Hearing Site: Washington, D.C.

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**REPRESENTATION OF PARTIES**

Claimants, Scott Frohman ("S. Frohman") and Kristine Frohman ("K. Frohman"), hereinafter collectively referred to as "Claimants": Donald J. Crawford, Esq., Attorney at Law, Rockville, MD.

Respondent, Ameritrade, Inc. ("Ameritrade"), hereinafter referred to as "Respondent": James J. Vihstadt, Esq., Ameritrade, Inc., Bellevue, NE.

**CASE INFORMATION**

Statement of Claim filed on: May 24, 2001

Claimant S. Frohman signed the Uniform Submission Agreement: April 12, 2001

Claimant K. Frohman signed the Uniform Submission Agreement: April 12, 2001

Statement of Answer filed by Respondent on: July 20, 2001

Respondent's representative signed the Uniform Submission Agreement: July 20, 2001

**CASE SUMMARY**

Claimants asserted the following causes of action, among others: violations of the Rules of Fair Practice of NASD; violations of the Securities Act of 1933; violations of the Securities Exchange Act of 1934, sections 10(b), 15(g) and the rules and regulations promulgated thereunder; breach of fiduciary duty; negligence; violations of the Maryland Securities Act; and, fraud. The causes of action relate to the purchase and sale of Dynatech Corporation (DYNA) stock.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimants fail to state a claim upon which relief may be granted; Claimants fail to particularize facts establishing a legal theory under which Respondent could be held liable for alleged damages; Claimants fail to prove their claim for damages; Respondent handled Claimants' account appropriately; and, Respondent has fulfilled its legal obligations to Claimants and acted according to fair business practices.

**RELIEF REQUESTED**

Claimants requested:

Compensatory Damages	\$63,813.75
Punitive Damages	\$20,000.00
Interest	unspecified amount
Attorneys' Fees	unspecified amount
Other Costs	\$12,726.00

Respondent requested dismissal of the Statement of Claim, and attorneys' fees and costs of unspecified amounts.

**OTHER ISSUES CONSIDERED AND DECIDED**

The parties have 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, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondent Ameritrade is liable to Claimants S. Frohman and K. Frohman, jointly and severally, and shall pay them compensatory damages in the amount of \$22,000. No interest on this amount has been awarded.
2. That the parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below.
3. That any and all requests for relief not specifically addressed herein are denied in their entirety.

**FEES**

Pursuant to 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 = \$225

**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. Accordingly, Ameritrade, Inc. is a party.

Member surcharge	= \$1,000
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$1,500

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

The Panel has assessed forum fees for each session conducted. A 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 (1) Pre-hearing session with Panel @ \$750	= \$ 750
Pre-hearing conference: December 4, 2001 1 session	

Two (2) Hearing sessions @ \$750	= \$1,500
Hearing Date: April 22, 2002 2 sessions	

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Total Forum Fees	= \$2,250
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1. The Panel has assessed \$1,125 of the forum fees to Claimants, jointly and severally.
2. The Panel has assessed \$1,125 of the forum fees to Respondent.

#### **Fee Summary**

1. Claimants S. Frohman and K. Frohman are jointly and severally liable for:

Initial Filing Fee	= \$ 225
Forum Fees	= \$ 1,125

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Total Fees	= \$ 1,350
Less payments	= \$ 975

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Balance Due NASD Dispute Resolution, Inc.	= \$ 375
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2. Respondent Ameritrade is solely liable for:

Member Fees	= \$ 3,100
Forum Fees	= \$ 1,125

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Total Fees	= \$ 4,225
Less payments	= \$ 3,100

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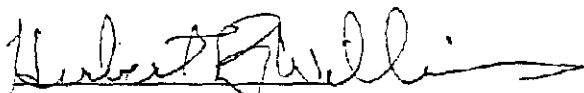
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,125
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All balances are payable to NASD Dispute Resolution, Inc. and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Herbert B. Williams	-	Public Arbitrator, Presiding Chairperson
Michael J. Henke, Esq.	-	Public Arbitrator, Panelist
Stephen T. Gannon, Esq.	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Herbert B. Williams  
Public Arbitrator, Presiding Chairperson

5/30/02  
Signature Date

\_\_\_\_\_  
Michael J. Henke, Esq.  
Public Arbitrator, Panelist

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

\_\_\_\_\_  
Stephen T. Gannon, Esq.  
Non-Public Arbitrator, Panelist

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

May 31, 2002  
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution, Inc.

Arbitration No. 01-02791

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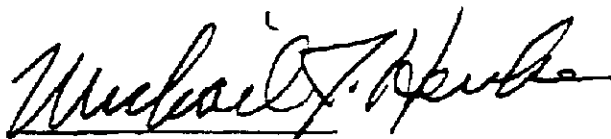
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Michael J. Henke, Esq.	-	Public Arbitrator, Panelist
Stephen T. Gannon, Esq.	-	Non-Public Arbitrator, Panelist

Concerning Arbitrators' Signatures

\_\_\_\_\_  
Herbert B. Williams  
Public Arbitrator, Presiding Chairperson

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



Michael J. Henke, Esq.  
Public Arbitrator, Panelist

5-29-02  
Signature Date

\_\_\_\_\_  
Stephen T. Gannon, Esq.  
Non-Public Arbitrator, Panelist

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

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Public Arbitrator, Presiding Chairperson

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