

Award
NASD Dispute Resolution

COPY

In the Matter of the Arbitration Between:

Fumio Onda and Wendy Y. Wen, Claimants v. JB Oxford & Company and Frederick Lu,
Respondent

Case Number: 02-04620

Hearing Site: Honolulu, Hawaii

REPRESENTATION OF PARTIES

For Claimants:

Chyong-Yao Ho, Esq.
Law Offices of Ho & Associates
Pasadena, California

For Respondent JB Oxford & Company:

Jeffrey S. Kob, Esq.
Miller Milove & Kob
San Diego, California

For Respondent Frederick Lu:

Frederick Lu
In Pro Per
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: August 5, 2002

Claimants' Joint Uniform Submission Agreement signed: August 2, 2002

Statement of Answer filed by Respondent JB Oxford & Company: October 22, 2002

Respondent JB Oxford & Company's Uniform Submission Agreement signed: October 22, 2002

CASE SUMMARY

Claimants alleged unsuitability, unauthorized trading, common law fraud, breach of fiduciary duty, failure to supervise, respondeat superior liability, aiding and abetting, and breach of contract. The dispute involved the purchase and/or sale of various stocks including Newport Corporation, Sandisk Corporation, S.D.L., Inc., Business Objectives SA, Ebay, Inc., and Inktomi Corporation stock.

Respondent JB Oxford & Company denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested actual damages in the amount of \$49,000.00, lost opportunity damages in the amount of \$72,000.00, punitive damages in the amount of \$50,000.00, seven statutory insufficient check charges at \$1,500.00 per check based on C.C. section 1719 in the amount of \$12,500.00, loss of use as measured by interest on credit cards issued to cover lack of funds @ 20% per annum since July 30, 2000 in the amount of \$12,250.00, interest on damages since May 23, 2000 at 10% or the maximum legal rate in the amount of \$29,750.00, and costs and attorney's fees in the amount of \$15,000.00.

Respondent JB Oxford & Company requested dismissal of the Claimants' Statement of Claim in its entirety, attorney's fees, and arbitration costs.

Respondent Frederick Lu did not file a Statement of Answer.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing, the parties advised the Arbitration Panel that Respondent Frederick Lu was not properly served with the Statement of Claim and did not receive due notice of the hearing.

Claimant Fumio Onda did not appear at the hearing.

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) Respondent JB Oxford & Company is liable to and shall pay Claimants Fumio Onda and Wendy Y. Wen \$29,000.00 in compensatory damages.
- 2) Claimants' request for punitive damages is denied.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) All other relief requested and not expressly granted is denied.

- 5) This Award shall bear interest at the rate of 7.5% per annum on any balance that remains unpaid thirty (30) days after receipt hereof, unless a motion to vacate has been filed with a court of competent jurisdiction. If this award is the subject of a motion to vacate that is subsequently denied, this award shall bear interest at the rate of 7.5% per annum on any balance that remains unpaid from date of the court's order denying said motion to vacate.

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 that gave rise to the dispute, claim, or controversy. Accordingly, the member firm JB Oxford & Company is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,750.00</u>
Total Member Fees	= \$ 5,200.00

Adjournment Fees

The following adjournment fees are assessed:

Hearing Dates, June 25, 2003 – June 27, 2003 adjournment requested by Claimants	= \$ 1,125.00
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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:

1 Pre-hearing conference session with the Panel @ \$1,125.00/session = \$ 1,125.00
Pre-hearing conference: March 31, 2003 1 session

3 Hearing sessions @ \$1,125.00/session = \$ 3,375.00
Hearings: July 24, 2003 2 sessions
July 25, 2003 1 session

Total Forum Fees = \$ 4,500.00

1. The Panel assessed \$1,125.00 of the forum fees jointly and severally to Claimants Fumio Onda and Wendy Y. Wen.
2. The Panel assessed \$3,375.00 of the forum fees to Respondent JB Oxford & Company.

Fee Summary

1. Claimants Fumio Onda and Wendy Y. Wen are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 1,125.00
Total Fees	= \$ 2,550.00
Less payments	= \$(1,425.00)
Balance Due NASD Dispute Resolution	= \$ 1,125.00
2. Respondent JB Oxford & Company is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 3,375.00
Total Fees	= \$ 8,575.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 3,375.00

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

Vernon F. L. Char, Esq.	-	Public Arbitrator, Presiding Chair
Duane E. Robinson, J.D	-	Public Arbitrator
Randy A. Harris, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Vernon F. L. Char, Esq.
Chair, Public Arbitrator

Signature Date

Duane E. Robinson, J.D
Public Arbitrator

Signature Date

Randy A. Harris, Esq.
Non-Public Arbitrator

Signature Date

Date of Service

State of _____ ss:

City and County of _____

On this _____ day of _____ 20____, before me personally appeared _____ to me known and known before me to be the individual described in and who executed the foregoing instrument and he/she duly acknowledged that he/she executed the same.

Notary Public, State of Hawaii
My commission expires: _____

ARBITRATION PANEL

Vernon F. L. Char, Esq.	-	Public Arbitrator, Presiding Chair
Duane E. Robinson, J.D.	-	Public Arbitrator
Randy A. Harris, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Vernon F. L. Char, Esq.
Chair, Public Arbitrator

Signature Date

Duane E. Robinson, J.D.
Public Arbitrator

Signature Date

Randy A. Harris, Esq.
Non-Public Arbitrator

Signature Date

August 7, 2003
Date of Service

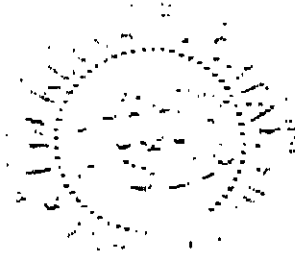
State of HAWAII ss:

City and County of KAUAI

On this 14th day of August 2003, before me personally appeared DUANE E. ROBINSON known and known before me to be the individual described in and who executed the foregoing instrument and he/she duly acknowledged that he/she executed the same.

Ederlina O. Ortiz
EDERLINA O. ORTIZ
Notary Public, State of Hawaii

My commission expires: 2-06-04



ARBITRATION PANEL

Vernon F. L. Char, Esq.	-	Public Arbitrator, Presiding Chair
Duane E. Robinson, J.D.	-	Public Arbitrator
Randy A. Harris, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Vernon F. L. Char, Esq.
Chair, Public Arbitrator

Signature Date

Duane E. Robinson, J.D.
Public Arbitrator

Signature Date



Randy A. Harris, Esq.
Non-Public Arbitrator

August 6, 2003
Signature Date

August 7, 2003
Date of Service

State of Hawaii ss:

City and County of Honolulu

On this 6th day of August 2003, before me personally appeared
Randy A. Harris, Esq. to me known and known before me to be the individual described
in and who executed the foregoing instrument and he/she duly acknowledged that he/she executed
the same.



Cindy C. Tanaka

Notary Public, State of Hawaii

My commission expires: May 2, 2004

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