

Award
NASD Dispute Resolution

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In the Matter of the Arbitration Between:
E*Trade Securities, Inc., Claimant v. Jack Vaughn, Respondent

REGISTRATION & DISCLOSURE

Case Number: 02-05800

Hearing Site: Seattle, Washington

Nature of the Dispute: Member Firm v. Customer

REPRESENTATION OF PARTIES

For Claimant:

John Bersin, Esq.
E*Trade Securities, Inc.
Rancho Cordova, California

For Respondent:

Jack Vaughn
In Pro Per
West Linn, Oregon

CASE INFORMATION

Statement of Claim received: September 27, 2002

Claimant's Uniform Submission Agreement signed: September 20, 2002

Statement of Answer filed by Respondent Jack Vaughn: Not filed

Respondent Jack Vaughn's Uniform Submission Agreement signed: Not submitted

CASE SUMMARY

Claimant's Statement of Claim alleged breach of contract, failure to pay margin calls, and failure to pay amounts due. Claimant's allegations involved the purchase and sale of securities in Aremissoft Corp.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$30,373.78, unspecified interest, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On May 23, 2003, prior to the appointment of an Arbitrator, Claimant moved the arbitrator to preclude the submission of an Answer by Respondent and requested that the Arbitrator Award Claimant the relief request in the Statement of Claim. On August 27, 2003, the initial pre-hearing telephonic conference in this matter was held. In attendance were the Claimant and the Arbitrator. During this call, the Arbitrator considered Claimant's request to preclude the submission of an Answer and issuance of an Award. After due deliberation, the Arbitrator reserved judgment on the request to preclude the submission of an Answer and asked Claimant to submit additional briefing on the amount of damages being requested and also requested that the Claimant provide proof of personal service of the Statement of Claim and the request to preclude the submission of an Answer. The Arbitrator set another telephonic hearing for November 24, 2003 to consider Claimant's submissions.

On November 24, 2003, the follow-up telephonic hearing in this matter was held. In attendance were the Claimant and the Arbitrator. The Arbitrator requested additional documentation and determined that a decision would be rendered after said submissions were received.

The Claimant agreed that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, evidence presented at the hearing, and post-hearing submissions, the Arbitrator decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Jack Vaughn is liable to and shall pay Claimant the sum of \$30,373.78 in compensatory damages.
- 2) Respondent Jack Vaughn is liable to and shall pay Claimant interest at the rate of 9.75% per annum on the sum of \$30,373.78 from November 4, 2001, until the date that payment of this Award is made in full.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) 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 = \$ 1,000.00

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. Accordingly, the member firm E*Trade Securities, Inc. is a party and the following fees are assessed:

Member Surcharge = \$ 875.00

Pre-Hearing Process Fee = \$ 750.00

Total Member Fees = \$ 1,625.00

Forum Fees and Assessments

The Arbitrator 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 Arbitrator. The following fees are assessed:

Two (2) Pre-hearing conference sessions with the Arbitrator @ \$450.00/session = \$ 900.00

Pre-hearing conferences: August 27, 2003 1 session

November 24, 2003 1 session

Total Forum Fees = \$ 900.00

The Panel assessed \$900.00 of the forum fees to Respondent Jack Vaughn.

Fee Summary

1. Claimant E*Trade Securities, Inc. is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 1,625.00
Total Fees	= \$ 2,625.00
Less payments	= \$ (3,075.00)
Refund Due Claimant	= \$ (450.00)

2. Respondent Jack Vaughn is charged with the following fees and costs:

Forum Fees	= \$ 900.00
Less payments	= \$ (0.00)
Balance Due NASD Dispute Resolution	= \$ 900.00

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.

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ARBITRATOR

David Gonzalez, CPA

- *Non-Public Arbitrator*



DAVID GONZALEZ, CPA
Non-Public Arbitrator



Signature Date



Date of Service