

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Brenda Ross, Claimant v. Crown Capital Securities, L.P. and Donald Traywick, Respondents

Case Number: 02-07222

Hearing Site: Phoenix, Arizona

Nature of the Dispute: Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimant:

William S. Bonnheim, Esq.
Anderholt Bonnheim & Casden LLP
Palm Desert, California

For Respondents:

Craig R. Bockman, Esq.
Jones Bell Abbott Fleming & Fitzgerald LLP
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: November 26, 2002

Claimant's Uniform Submission Agreement signed: November 21, 2002

Joint Statement of Answer filed by Respondents: January 30, 2003

Respondent Crown Capital Securities, L.P.'s Uniform Submission Agreement signed:
February 3, 2003

Respondent Donald Traywick's Uniform Submission Agreement signed: January 30, 2003

CASE SUMMARY

Claimant alleged unsuitability, breach of fiduciary duty, constructive fraud, failure to supervise, and violation of federal and state securities laws, involving unspecified securities.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and alleged, among other things, that Claimant's investments were suitable given her investment objectives and overall financial situation.

RELIEF REQUESTED

Claimant requested \$235,000.00 in compensatory damages, lost profits, lost opportunity costs, interest at the legal rate, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and costs.

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.

The parties have entered into a confidential settlement agreement pursuant to which Claimant has agreed to dismiss her claims with prejudice and the parties have agreed to request jointly that an Award be issued expunging the references to this proceeding from the NASD Central Registration Depository (CRD) records of Respondent Donald Traywick.

AWARD

After considering the pleadings and the Parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant and Respondents have entered into a confidential settlement agreement.
2. The Panel accepts the dismissal of each and every claim asserted by Claimant against Respondents Crown Capital Securities, L.P. and Donald Traywick with prejudice.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Donald Traywick's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Donald Traywick must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. All other relief 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 | = \$ 300.00 |
|--------------------------|-------------|

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 which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Crown Capital Securities, L.P. 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 |

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 Panel @ \$ 1,125.00/session | = \$ 2,250.00 |
| Pre-hearing conferences: August 21, 2003 | 1 session |
| December 30, 2003 | 1 session |

| | |
|-------------------------|----------------------|
| Total Forum Fees | = \$ 2,250.00 |
|-------------------------|----------------------|

1. The Panel assessed \$ 1,125.00 of the forum fees to Claimant.
2. The Panel assessed \$ 1,125.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is charged with the following fees and costs:

| | |
|--|------------------|
| Initial Filing Fee | = \$ 300.00 |
| Forum Fees | = \$ 1,125.00 |
| Total Fees | = \$ 1,425.00 |
| <u>Less payments</u> | = \$(1,425.00) |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

2. Respondent Crown Capital Securities, L.P. is charged with the following fees and costs:


| | |
|--|------------------|
| Member Fees | = \$ 5,200.00 |
| <u>Less payments</u> | = \$(5,200.00) |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

3. Respondents are charged jointly and severally with the following fees and costs:

| | |
|--|----------------------|
| Forum Fees | = \$ 1,125.00 |
| <u>Less payments</u> | = \$(0.00) |
| Balance Due NASD Dispute Resolution | = \$ 1,125.00 |

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.

Parties' Signatures



Brenda Roas
Claimant

6/30/04

Signature Date

Crown Capital Securities, L.P.
Respondent

Signature Date


Donald Traywick
Respondent

Signature Date

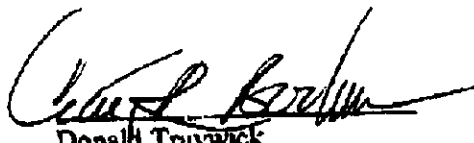
Parties' Signatures

Brenda Ross
Claimant

Signature Date


Crown Capital Securities, L.P.
Respondent

5-25-04
Signature Date


Donald Truwick
Respondent

5-25-04
Signature Date

ARBITRATION PANEL

| | | |
|---------------------------|---|------------------------------------|
| Merton E. Marks, Esq. | - | Public Arbitrator, Presiding Chair |
| Louise R. Wakem | - | Public Arbitrator |
| Richard G. Brodrick, Esq. | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures



Merton E. Marks, Esq.
Chair, Public Arbitrator

July 29, 2004
Signature Date

Louise R. Wakem
Public Arbitrator

Signature Date

Richard G. Brodrick, Esq.
Non-Public Arbitrator

Signature Date

7/30/04
Date of Service

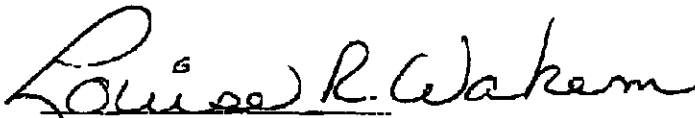
ARBITRATION PANEL

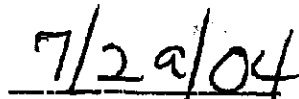
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Chair, Public Arbitrator

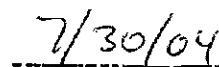
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Public Arbitrator


Signature Date

Richard G. Brodrick, Esq.
Non-Public Arbitrator

Signature Date


Date of Service

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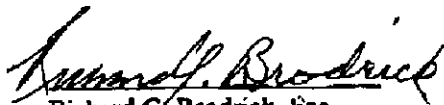
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Merton E. Marks, Esq.
Chair, Public Arbitrator

Signature Date

Louise R. Wakem
Public Arbitrator

Signature Date


Richard G. Brodrick, Esq.
Non-Public Arbitrator

7/29/04
Signature Date

7/30/04
Date of Service