

Award
NASD Dispute Resolution

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In the Matter of the Arbitration Between:

Jae Eun Na, Claimant v. Hanmi Securities, Inc., Soon-Gwon Bang and Eul Hyung Choi,
Respondents

REGISTRATION & SIGNATURE

Case Number: 03-00426

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

Marc I. Zussman, Esq.
Law Offices of Marc I. Zussman
Los Angeles, California

For Respondents:

Eul Hyung Choi
Hanmi Securities, Inc.
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: January 16, 2003

Claimant's Uniform Submission Agreement signed: January 14, 2003

Joint Statement of Answer filed by Respondents: March 13, 2003

Respondent Hanmi Securities, Inc.'s Uniform Submission Agreement signed: March 11, 2003

Respondent Soon-Gwon Bang's Uniform Submission Agreement signed: March 11, 2003

Respondent Eul Hyung Choi's Uniform Submission Agreement signed: March 11, 2003

CASE SUMMARY

Claimant alleged breach of fiduciary duty, failure to supervise, negligence, fraud, negligent misrepresentation, violation of NASD Rules of Fair Practice and NYSE rules against all respondents, violation of federal securities laws, and violation of California securities laws. The allegations involved stock in NASDAQ 100 Trust, and stocks purchased on margin in Qualcomm, Rite Aid, and Sonus Networks.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$103,221.00 in compensatory damages, unspecified punitive damages, commissions and fees generated from transactions at issue, lost opportunity cost, pre-award interest at the rate of 10% per annum, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, and costs, including attorney's fees. Respondents Soon-Gwon Bang and Eul Hyung Choi also requested expungement of all reference to this matter from their permanent registration records maintained by CRD.

OTHER ISSUES CONSIDERED AND DECIDED

On May 30, 2003, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

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) Respondents are jointly and severally liable to and shall pay Claimant the sum of \$59,572.00 in compensatory damages.
- 2) Respondents are jointly and severally liable to and shall pay Claimant the sum of \$6,603.50 in interest.
- 3) Respondents are jointly and severally liable to and shall pay Claimant the sum of \$21,000.00 in attorney's fees, pursuant to Coutee v. Barington Capital Group, 336 Fed 3d 1128 (9th Cir. 2003).
- 4) Respondents are jointly and severally liable to and shall pay Claimant the sum of \$4,600.00 in expert witness fees.
- 5) Respondents are jointly and severally liable to and shall pay Claimant the sum of \$1,000.00 for a Korean translator.
- 6) Except as granted above, the parties shall bear their respective costs.
- 7) 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	= \$ 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 Hanmi Securities, Inc. 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>	= \$ 2,750.00
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 Chair/Panel. The following fees are assessed:

1 Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: October 27, 2003 1 session	
6 Hearing sessions @ \$1,125.00/session	= \$ 6,750.00
Hearings: February 23, 2004 2 sessions	
February 24, 2004 2 sessions	
February 25, 2004 2 sessions	
Total Forum Fees	= \$ 7,875.00

The Panel assessed \$ 7,875.00 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
<u>Administrative Cost</u>	= \$ 15.00
Total Fees	= \$ 315.00
<u>Less payments</u>	= \$(1,440.00)
Refund Due Claimant	= \$(1,125.00)

2. Respondent Hanmi Securities, Inc. 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	= \$ 7,875.00
<u>Less payments</u>	= \$(0.00)
Balance Due NASD Dispute Resolution	= \$ 7,875.00

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

Herbert M. Schoenberg, Esq.	-	Public Arbitrator, Presiding Chair
Mark S. Piver, Esq.	-	Public Arbitrator
Ivan Claman	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Mark S. Piver, Esq.
Public Arbitrator

2/26/04

Signature Date

Ivan Claman
Non-Public Arbitrator

Signature Date

Concurring in Part, Dissenting in Part Arbitrator's Signature

This arbitrator is of the opinion that Claimant is entitled to \$108,122.00 in compensatory damages. This arbitrator is also of the opinion that Claimant is not entitled to an award of attorney's fees.

Herbert M. Schoenberg, Esq.
Chair, Public Arbitrator

Signature Date

2/26/04

Date of Service

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Ivan Claman	-	Non-Public Arbitrator

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Public Arbitrator

Signature Date



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Non-Public Arbitrator

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Herbert M. Schoenberg

Herbert M. Schoenberg, Esq.
Chair, Public Arbitrator

Feb. 26, 2004

Signature Date

2/26/04

Date of Service