

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

The Estate of Paul Freud Wotman, Claimant v. E*Trade Securities LLC, Respondent

Case Number: 03-00550

Hearing Site: San Francisco, California

Nature of the Dispute: Customer v. Member

REPRESENTATION OF PARTIES

For Claimant:

Carrie Moulton, Esq.
Hallisey & Johnson
San Francisco, California

For Respondent:

John Bersin
E*Trade Financial
Rancho Cordova, California

CASE INFORMATION

Statement of Claim filed: January 23, 2003

Claimant's Uniform Submission Agreement signed: December 17, 2002

Statement of Answer filed by Respondent: March 25, 2003

Respondent's Uniform Submission Agreement signed: March 24, 2003

CASE SUMMARY

Claimant alleged negligence, failure to supervise and breach of contract. Claimant's allegations involved unspecified securities.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$63,869.90 and interest.

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

OTHER ISSUES CONSIDERED AND DECIDED

On March 12, 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. Respondent is liable to and shall pay Claimant the sum of \$60,723.23 in compensatory damages, provided that Claimant conveys to E*Trade Securities LLC the full right, title and interest in all stocks contained the E*Trade Securities LLC account for The Estate of Paul Freud Wotman, account number 5009-2785. Said conveyance must be completed within 30 days of the date of service of this Award. Payment by Respondent must be completed within 30 days of Claimant's conveyance. If Claimant declines to make said conveyance within the time period specified herein, Claimant's Statement of Claim is denied in its entirety.
2. The parties shall bear their respective costs, including attorney's fees.
3. 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	= \$ 225.00
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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 E*Trade Securities LLC is a party and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 1,700.00</u>
Total Member Fees	= \$ 3,550.00

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:

One (1) Pre-hearing conference session with the Panel @ \$750.00/session	= \$ 750.00
Pre-hearing conference: October 7, 2003 1 session	

Two (2) Hearing sessions @ \$750.00/session	= \$ 1,500.00
Hearings: January 26, 2004 2 sessions	

Total Forum Fees	= \$ 2,250.00
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1. The Panel assessed \$1,125.00 of the forum fees to Claimant.
2. The Panel assessed \$1,125.00 of the forum fees to Respondent.

Fee Summary

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

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	= \$ 1,125.00
Total Fees	= \$ 1,350.00
<u>Less payments</u>	= \$(975.00)
Balance Due NASD Dispute Resolution	= \$ 375.00

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

Member Fees	= \$ 3,550.00
<u>Forum Fees</u>	= \$ 1,125.00
Total Fees	= \$ 4,675.00
<u>Less payments</u>	= \$(3,550.00)
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.

ARBITRATION PANEL

Allan Brotsky, Esq.	-	Public Arbitrator, Presiding Chair
Fred D. Butler, J.D.	-	Public/Non-Public Arbitrator
Stanford G. Hirata	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Allan Brotsky, Esq.
Chair, Public Arbitrator

Signature Date



Fred D. Butler, J.D.
Public Arbitrator

2/5/04

Signature Date

Stanford G. Hirata
Non-Public Arbitrator

Signature Date

2/9/04

Date of Service

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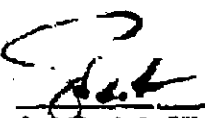
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