

**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Sue Anne Young, as Trustee for the Sue Ann Young Revocable Trust dtd 4/29/96, Claimant v.  
Phillips & Company Securities, Inc., Lawrence W. Brooks, and Philip Bryan Hagen, Respondents

Case Number: 03-01074

Hearing Site: Honolulu, Hawaii

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

**REPRESENTATION OF PARTIES**

For Claimant:

Thomas E. Bush, Esq.  
Alston Hunt Floyd & Ingo  
Honolulu, Hawaii

For Respondents:

O. Meredith Wilson, Jr., Esq.  
Lane Powell Spears Lubersky LLP  
Portland, Oregon

**CASE INFORMATION**

Statement of Claim filed: February 11, 2003

Claimant's Uniform Submission Agreement signed: February 10, 2003

Joint Statement of Answer filed by Respondents Phillips & Company Securities, Inc. and Philip  
Bryan Hagen: May 12, 2003

Joinder to Statement of Answer filed by Lawrence W. Brooks: September 19, 2003

Respondent Phillips & Company Securities, Inc.'s Uniform Submission Agreement signed:  
May 9, 2003

Respondent Lawrence W. Brooks' Uniform Submission Agreement signed: Not Filed

Respondent Philip Bryan Hagen's Uniform Submission Agreement signed: May 9, 2003

### **CASE SUMMARY**

Claimant alleged misrepresentation, failure to disclose, unauthorized trading, unsuitability, churning, failure to supervise, breach of fiduciary duty, and breach of contract. Claimant's allegations involved Philip Morris Cos. stock, Enron Corp. stock, Siebal Systems, Inc. stock, and Jds Uniphase Corp. stock.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$ 284,000.00, return of all commissions, unspecified punitive damages, margin interest, pre-award interest, post-award interest, and costs, including attorney's fees.

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

### **OTHER ISSUES CONSIDERED AND DECIDED**

On December 15, 2003, NASD Dispute Resolution received notice of settlement and stipulation of dismissal with prejudice.

Respondent Lawrence W. Brooks did not file with the NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

**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. This arbitration proceeding is hereby dismissed with prejudice, and without costs or attorneys' fees to any party.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Philip Bryan Hagen's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Philip Bryan Hagen must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

**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 Phillips & Company 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>	<u>= \$ 2,750.00</u>
<b>Total Member Fees</b>	<b>= \$ 5,200.00</b>

**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:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session      = \$ 1,125.00  
Pre-hearing conference:      September 9, 2003      1 session

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**Total Forum Fees**      = \$ 1,125.00

1. The Panel assessed \$ 562.50 of the forum fees to Sue Ann Young, as Trustee for the Sue Ann Young Revocable Trust dtd 4/29/96.
2. The Panel assessed \$ 562.50 of the forum fees jointly and severally to Phillips & Company Securities, Inc., Lawrence W. Brooks, and Philip Bryan Hagen.

**Fee Summary**

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

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 862.50
Less payments	= \$ (1,425.00)
<b>Refund due Claimant</b>	<b>= \$ (562.50)</b>
2. Respondent Phillips & Company Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	= \$ (5,200.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ (0.00)</b>
3. Respondents Phillips & Company Securities, Inc., Lawrence W. Brooks, and Philip Bryan Hagen are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 562.50
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 562.50</b>

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.

NASD Dispute Resolution

Arbitration No. 03-01074

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Parties' Signatures



Sue Ann Young as Trustee  
for The Sue Ann Young Revocable Trust dtd 4/29/96  
Claimant

2/26/04  
Signature Date

Phillips & Company Securities, Inc.  
Respondent

Signature Date

Lawrence W. Brooks  
Respondent

Signature Date

Philip Bryan Hagen  
Respondent

Signature Date

**Parties' Signatures**

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Sue Ann Young as Trustee  
for The Sue Ann Young Revocable Trust dtd 4/29/96  
Claimant

\_\_\_\_\_  
Signature Date

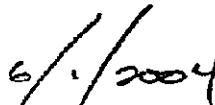
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Phillips & Company Securities, Inc.  
Respondent

  
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Signature Date

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Lawrence W. Brooks  
Respondent

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Philip Bryan Hagen  
Respondent

  
\_\_\_\_\_  
Signature Date


**Parties' Signatures**

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Sue Ann Young as Trustee  
for The Sue Ann Young Revocable Trust dtd 4/29/96  
Claimant

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Phillips & Company Securities, Inc.  
Respondent

\_\_\_\_\_  
Signature Date

  
Lawrence W. Brooks  
Respondent

  
Signature Date

\_\_\_\_\_  
Philip Bryan Hagen  
Respondent

\_\_\_\_\_  
Signature Date

**ARBITRATION PANEL**

Carol M. Egan	-	Public Arbitrator, Presiding Chair
Harriette L. Holt, Esq.	-	Public Arbitrator
Leon Munson	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

Carol M. Egan  
Carol M. Egan  
Chair, Public Arbitrator

June 8, 2004  
Signature Date

Harriette L. Holt, Esq.  
Public Arbitrator

Signature Date

Leon Munson  
Non-Public Arbitrator

Signature Date

State of Hawaii ss:

Re CME City and County of Honolulu

On this     day of     JUN 08 2004     20   , before me personally appeared Carol M. Egan 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.

Hattie P. Foster  
Notary Public, State of Hawaii  
My commission expires:     AUG 08 2004  
Hattie P. Foster

June 17, 2004  
Date of Service

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**ARBITRATION PANEL**

Carol M. Egan	-	Public Arbitrator, Presiding Chair
Harriette L. Holt, Esq.	-	Public Arbitrator
Leon Munson	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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Carol M. Egan  
Chair, Public Arbitrator

\_\_\_\_\_  
Signature Date

Harriette L. Holt  
Harriette L. Holt, Esq.  
Public Arbitrator

June 9, 2004  
Signature Date

\_\_\_\_\_  
Leon Munson  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

State of Hawaii ss:

City and County of Mauai

On this 9 day of June, 2004, before me personally appeared Harriette L. Holt 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.

Lynette A. Aipa  
Notary Public, State of Hawaii  
My commission expires: 11/7/2004  
Lynette A. Aipa

June 17, 2004  
Date of Service

*fs.*