

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Melvin Stevens, Claimant v. Linsco/Private Ledger Corp. and Edwin Bauer, Respondents

Case Number: 03-01995

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

H. Thomas Fehn, Esq.
Elizabeth Lowery, Esq.
Fields, Fehn & Sherwin
Los Angeles, California

For Respondents:

David S. Markun, Esq.
Markun Zusman & Compton LLP
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: February 26, 2003

Claimant's Uniform Submission Agreement signed: undated

Joint Statement of Answer filed by Respondents: June 5, 2003

Respondent Linsco/Private Ledger Corp.'s Uniform Submission Agreement signed: April 7, 2003

Respondent Edwin Bauer's Uniform Submission Agreement signed: May 5, 2003

CASE SUMMARY

Claimant alleged breach of fiduciary duty and negligence involving a Northstar variable annuity and an IRA.

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

RELIEF REQUESTED

Claimant requested \$420,000.00 in compensatory damages, unspecified punitive damages, interest from the date of the loss, 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. Respondent Edwin Bauer requested expungement of this matter from his regulatory record.

OTHER ISSUES CONSIDERED AND DECIDED

On April 1, 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.

On June 25, 2003, Respondents Linsco/Private Ledger Corp. and Edwin Bauer's counsel signed a Waiver Agreement on their behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

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

- 1) Claimant's claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Edwin Bauer's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Edwin Bauer must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 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	= \$ 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 Linsco/Private Ledger Corp. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 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:

2 Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$ 2,250.00
Pre-hearing conferences: September 2, 2003	1 session
September 25, 2003	1 session
2 Hearing sessions @ \$1,250.00/session	= \$ 2,250.00
Hearing: February 5, 2004	2 sessions
Total Forum Fees	= \$ 4,500.00

1. The Panel assessed \$ 2,250.00 of the forum fees to Claimant.
2. The Panel assessed \$ 2,250.00 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>Forum Fees</u>	= \$ 2,250.00
Total Fees	= \$ 2,550.00
<u>Less payments</u>	= \$(1,425.00)
Balance Due NASD Dispute Resolution	= \$ 1,125.00

2. Respondent Linsco/Private Ledger Corp. 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	= \$ 2,250.00
<u>Less payments made by Respondent Linsco/Private Ledger Corp.</u>	= \$(750.00)
Balance Due NASD Dispute Resolution	= \$ 1,500.00

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.

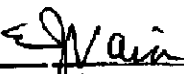
ARBITRATION PANEL

William J. Adams, Esq.	-	Public Arbitrator, Presiding Chair
Edward J. Vaia	-	Public Arbitrator
John B. Wells	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

William J. Adams, Esq.
Chair, Public Arbitrator

Signature Date




Edward J. Vaia
Public Arbitrator



Signature Date

John B. Wells
Non-Public Arbitrator

Signature Date



Date of Service

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Arbitration No. 03-01995
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William J. Adams, Esq.
Chair, Public Arbitrator

12-11-04
Signature Date

Edward J. Vaia
Public Arbitrator

Signature Date

John B. Wells
Non-Public Arbitrator

Signature Date

Date of Service