

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

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In the Matter of the Arbitration Between:

One World Trust, Claimant v. Charles Schwab & Co., Inc., Respondent

Case Number: 03-02156

Hearing Site: Los Angeles, California

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Nature of the Dispute: Customer v. Member

**REPRESENTATION OF PARTIES**

For Claimant:

Fred Rucker, Esq.  
Law Offices of Fred Rucker  
Los Angeles, California

For Respondent:

Richard A. Karoly, Esq.  
Charles Schwab & Co., Inc.  
San Francisco, California

**CASE INFORMATION**

Statement of Claim filed: March 20, 2003

Claimant's Uniform Submission Agreement signed: February 15, 2003

Statement of Answer filed by Respondent: June 16, 2003

Respondent's Uniform Submission Agreement signed: May 15, 2003

**CASE SUMMARY**

Claimant alleged breach of contract, errors in charges, negligence, failure to supervise, and failure to execute, involving 99,913 shares of HomeFoodClub.com.

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

### **RELIEF REQUESTED**

Claimant requested \$500,000.00 in compensatory damages, \$100,000.00 in punitive damages, \$5,000.00 in forum fee costs, \$1,000.00 in attorney's fees, and \$1,000.00 in witness and production fees.

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

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

On October 7, 2003, Claimant 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.

Also on October 7, 2003, Respondent's counsel signed a Waiver Agreement on its 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, 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 \$12,761.62 in compensatory damages.
- 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	= waived
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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 Charles Schwab & Co., Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 4,000.00</u>
<b>Total Member Fees</b>	<b>= \$ 7,000.00</b>

#### **Adjournment Fees**

The following adjournment fees are assessed:

February 26 and 27, 2004 adjournment requested by Claimant	= \$ 1,200.00
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The Panel assessed 1,200.00 of the adjournment fee to Claimant.

#### **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 @ \$1,200.00/session	= \$ 2,400.00
Pre-hearing conferences:	
January 5, 2004	1 session
March 9, 2004	1 session
2 Hearing sessions @ \$1,200.00/session	= \$ 2,400.00
Hearing:	
May 4, 2004	2 sessions
<b>Total Forum Fees</b>	<b>= \$ 4,800.00</b>

The Panel assessed \$ 4,800.00 of the forum fees to Respondent.

**Fee Summary**

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

Adjournment Fee	= \$ 1,200.00
<u>Less payments</u>	= \$( 0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 1,200.00</b>

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

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	= \$ 4,800.00
Total Fees	= \$11,800.00
<u>Less payments</u>	= \$(7,000.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 4,800.00</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.

**ARBITRATION PANEL**

Philip W. Burge	-	Public Arbitrator, Presiding Chair
George L. Tindall	-	Public Arbitrator
Kathryn L. Krebs, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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Philip W. Burge  
Chair, Public Arbitrator

5-5-04 see attached  
Signature Date

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George L. Tindall  
Public Arbitrator

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Signature Date

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Kathryn L. Krebs, Esq.  
Non-Public Arbitrator

5-5-04 see attached  
Signature Date

5-5-04  
Date of Service

ARBITRATION PANEL

Philip W. Burge	Public Arbitrator, Presiding Chair
George L. Tindall	Public Arbitrator
Kathryn L. Krebs, Esq.	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Philip W. Burge  
Philip W. Burge  
Chair, Public Arbitrator

May 5, 2004  
Signature Date

George L. Tindall  
George L. Tindall  
Public Arbitrator

Signature Date

Kathryn L. Krebs, Esq.  
Kathryn L. Krebs, Esq.  
Non-Public Arbitrator

Signature Date

May 5, 2004  
Date of Service

**ARBITRATION PANEL**

Philip W. Burge	-	Public Arbitrator, Presiding Chair
George L. Tindall	-	Public Arbitrator
Kathryn L. Krebs, Esq.	-	Non-Public Arbitrator


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Chair, Public Arbitrator

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

\_\_\_\_\_  
George L. Tindall  
Public Arbitrator

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

  
\_\_\_\_\_  
Kathryn L. Krebs, Esq.  
Non-Public Arbitrator

5/5/04  
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Signature Date

May 5, 2004  
\_\_\_\_\_  
Date of Service

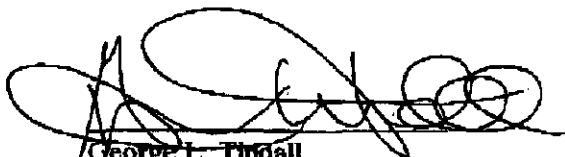
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Philip W. Burge	-	Public Arbitrator, Presiding Chair
George L. Tindall	-	Public Arbitrator
Kathryn L. Krebs, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

Philip W. Burge  
Chair, Public Arbitrator

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

  
George L. Tindall  
Public Arbitrator

May 10, 2004  
Signature Date

\_\_\_\_\_  
Kathryn L. Krebs, Esq.  
Non-Public Arbitrator

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

5-10-04  
Date of Service