

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

The Corcoran Family Trust, Charlotte Kim Corcoran, and Edwin W. Corcoran, III, individually and as custodian for Colette Corcoran, Edwin Corcoran, IV, and Monique N. Corcoran, Claimants v. Bear, Stearns & Co. Inc., Bear, Stearns Securities Corp., and Doron Kochavi, Respondents

Case Number: 03-02292

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers v. Members and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

Michael Robert Bassin, Esq.
Law Offices of Michael Robert Bassin
Encino, California

For Respondents:

Stephen Young, Esq.
Ryan C. Vicari, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed: March 31, 2003

Claimants' Joint Uniform Submission Agreement signed: March 11, 2003

Joint Statement of Answer filed by Respondents: July 10, 2003

Respondents Bear, Stearns & Co. Inc. and Bear, Stearns Securities Corp.'s Joint Uniform Submission Agreement signed: July 15, 2003

Respondent Doron Kochavi's Uniform Submission Agreement signed: July 10, 2003

CASE SUMMARY

Claimants alleged breach of fiduciary duty, unsuitability, unauthorized trading, churning, and failure to disclose material information, involving unspecified securities.

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

RELIEF REQUESTED

Claimants requested \$400,000.00 in compensatory damages, unspecified punitive damages, and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, and costs, including attorney's fees. Respondent Doron Kochavi also requested all reference to Claimants' claim be expunged from her records maintained by the Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

On June 18, 2003, Claimants and Claimants' 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 July 10, 2003, Respondents' 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, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Doron Kochavi is liable to and shall pay Claimants the sum of \$35,000.00 in compensatory damages. This amount is to be paid on a pro rata basis based on the amounts in Claimants' respective accounts at the time of opening.
- 2) Respondent Doron Kochavi is liable to and shall pay Claimants interest at the rate of 10% per annum on \$35,000.00 from July 3, 2002 until the date that payment of this Award is made in full.
- 3) Respondents Bear, Stearns & Co. Inc. and Bear, Stearns Securities Corp. are dismissed with prejudice.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) 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 Bear, Stearns & Co. 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>
Total Member Fees	= \$ 5,200.00

The member firm Bear, Stearns Securities Corp. 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>
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 Panel. The following fees are assessed:

1 Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: November 17, 2003 1 session	
7 Hearing sessions @ \$1,125.00/session	= \$ 7,875.00
Hearings: September 21, 2004 2 sessions	
September 22, 2004 2 sessions	
September 23, 2004 2 sessions	
September 24, 2004 1 session	
Total Forum Fees	= \$ 9,000.00

The Panel assessed \$9,000.00 of the forum fees to Respondent Doron Kochavi.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Less payments	= \$(1,425.00)
Refund Due Claimants	= \$(1,125.00)

2. Respondent Bear, Stearns & Co. Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Bear, Stearns Securities Corp. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondent Doron Kochavi is charged with the following fees and costs:

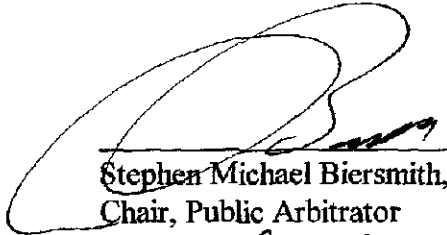
Forum Fees	= \$ 9,000.00
Less payments	= \$(0.00)
Balance Due NASD Dispute Resolution	= \$ 9,000.00

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

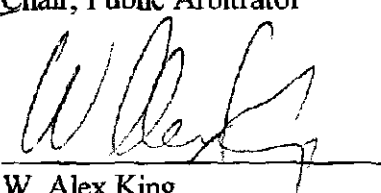
Stephen Michael Biersmith, JD	-	Public Arbitrator, Presiding Chair
W. Alex King	-	Public Arbitrator
Salvatore A. Sciortino	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



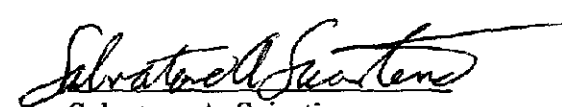
Stephen Michael Biersmith, JD
Chair, Public Arbitrator

5/24/04
Signature Date



W. Alex King
Public Arbitrator

8/24/04
Signature Date



Salvatore A. Sciortino
Non-Public Arbitrator

9/24/04
Signature Date

9/24/04
Date of Service