

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

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In the Matter of the Arbitration Between:

Boberschmidt Family Trust UTD 5/17/85, John R. Boberschmidt, Mary Ellen Boberschmidt, Meany Trust UA dtd 6/28/88, Virginia L. Alexander Trust dtd 4/20/90, Edwin & Catherine Farrell Trust 7/15/85, Suzanne Jeffers, Alice Vivian Gregg, William J. Gregg, Hassan A. Ebrahimi, Karen Kiefer Family Trust UA dtd 2/26/97, Karen S. Kiefer DO Money PPS, Karen S. Kiefer, Karen S. Kiefer Custodian for Kristi Kiefer, Niloufar Sarabi, and Glenn and Diane Meeter, Claimants v. RBC Dain Rauscher Inc., Lantz E. Bell, and Charles W. Hubbard, Respondents

Case Number: 03-02783

Hearing Site: Los Angeles, California

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

**REPRESENTATION OF PARTIES**

For Claimants:

Jeff Dennis Ferentz, Esq.  
Law Offices of Jeff Dennis Ferentz, Inc.  
Newport Beach, California

For Respondents:

Michael M. Gless, Esq.  
Keesal, Young & Logan  
Long Beach, California

**CASE INFORMATION**

Statement of Claim filed: April 16, 2003

Claimants Boberschmidt Family Trust UTD 5/17/85, John R. Boberschmidt, Mary Ellen Boberschmidt, Meany Trust UA dtd 6/28/88, Suzanne Jeffers, Hassan A. Ebrahimi's Uniform Submission Agreements each signed: March 11, 2003

Claimants Karen Kiefer Family Trust UA dtd 2/26/97, Karen S. Kiefer DO Money PPS, Karen S. Kiefer Custodian for Kristi Kiefer and Karen S. Kiefer's Uniform Submission Agreements each signed: March 6, 2003

Claimants Virginia L. Alexander Trust dtd 4/20/90 and Niloufar Sarabi's Uniform Submission Agreements each signed: March 5, 2003

Claimants Edwin & Catherine Farrell Trust 7/15/85 and Glenn and Diane Meeter's Uniform Submission Agreements each signed: March 4, 2003

Claimants Alice Vivian Gregg and William J. Gregg's Uniform Submission Agreements each signed: March 3, 2003

Joint Statement of Answer filed by Respondents: July 30, 2003

### **CASE SUMMARY**

Claimants alleged breach of fiduciary duty, unsuitability, churning, unauthorized trading, negligence, elder abuse, and failure to supervise. Claimants' allegations involved the use of margin and transactions in unspecified securities.

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

### **RELIEF REQUESTED**

Claimants requested \$ 3,519,174.00 in compensatory damages, disgorgement of commissions and compensation, lost opportunity costs and profits, unspecified punitive damages, pre- and post-judgment interest at the highest legal rate, and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, and costs.

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

Respondents RBC Dain Rauscher, Inc. and Lantz E. Bell did not file with the NASD Dispute Resolution, properly executed submission agreements; however, said Respondents are required to submit to arbitration and, having answered the claim, said Respondents are bound by the determination of the Panel on all issues submitted.

On the following dates, Claimants and Claimants' counsel signed Waiver Agreements expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators: Claimants The Boberschmidt Family Trust UTD 5/17/85, John Boberschmidt, Mary Ellen Boberschmidt, and the Meany Trust UA dtd 6/28/88 signed Waiver Agreements on May 28, 2003; Claimants the Virginia Alexander Trust UA dtd 4/20/90, Edwin J. & Catherine Farrell Trust UA dtd 7/15/75, Alice Vivian Gregg, William J. Gregg, and and Glen and Diane Meeter signed Waiver Agreements on May 19, 2003; Suzanne

Jeffers, the Karen S. Kiefer Family Trust UA dtd 2/26/97, the Karen S. Kiefer Do Money Purchase Pension Plan, Karen Kiefer as Custodian for Kristi Kiefer, and Karen Kiefer signed Waiver Agreements on May 15, 2003; Hassan A. Ebrahimi signed a Waiver Agreement on May 25, 2003; and, Niloufar Sarabi signed a Waiver Agreement on May 20, 2003.

Pursuant to the Code of Arbitration Procedure IM-10100, the waivers of the Claimants 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 and other submissions of the parties, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants and Respondents have entered into a confidential settlement agreement.
2. Claimants' claims are dismissed with prejudice.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Lantz E. Bell's and Charles W. Hubbard's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Lantz E. Bell and Charles W. Hubbard must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
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	= \$ 500.00
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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 which gave rise to the dispute, claim, or controversy. Accordingly, the member firm RBC Dain Rauscher Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 5,000.00</u>
<b>Total Member Fees</b>	<b>= \$ 8,550.00</b>

### **Fee Summary**

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

Initial Filing Fee	= \$ 600.00
Less Waiver of Filing Fee	= \$ (100.00)
<u>Less payments</u>	<u>= \$ (1,700.00)</u>
<b>Refund Paid to Claimants</b>	<b>= \$ (1,200.00)</b>

2. Respondent RBC Dain Rauscher, Inc. is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
<u>Less payments</u>	<u>= \$ (8,550.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</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.

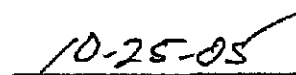
**ARBITRATION PANEL**

<i>Thomas E. Shuck</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Frank M. Hodgson</i>	-	<i>Public Arbitrator</i>
<i>Robert P. Clifford</i>	-	<i>Non-Public Arbitrator</i>

**Concurring Arbitrators' Signatures**



Thomas E. Shuck  
Chair, Public Arbitrator



Signature Date

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Frank Milton Hodgson  
Public Arbitrator

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Signature Date

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Robert P. Clifford  
Non-Public Arbitrator

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Signature Date

*November 4, 2005*  
Date of Service

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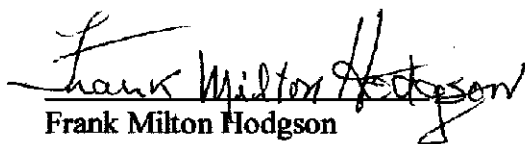
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Chair, Public Arbitrator

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Signature Date

  
Frank Milton Hodgson  
Public Arbitrator

10/26/05  
Signature Date

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Robert P. Clifford  
Non-Public Arbitrator

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Signature Date

November 4, 2005  
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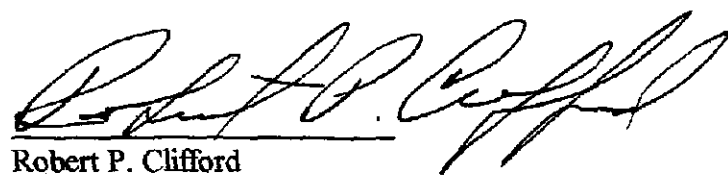
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Frank Milton Hodgson  
Public Arbitrator

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Signature Date

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Robert P. Clifford  
Non-Public Arbitrator

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10/21/05  
Signature Date

November 4, 2005  
Date of Service