

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Candice Ting, as Attorney-in-Fact for Nai-Shih Ting, Claimant v. Royal Alliance Associates, Inc.
and Robert L. Levine, Respondents

Case Number: 03-02990

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

Steve A. Buchwalter, Esq.
Law Offices of Steve A. Buchwalter, P.C.
Encino, California

For Respondents:

Robert A. Latham, III, Esq.
Lewis Brisbois Bisgaard & Smith LLP
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: April 18, 2003

Claimant's Uniform Submission Agreement signed: Not Dated

Joint Statement of Answer filed by Respondents: July 17, 2003

Respondent Royal Alliance Associates, Inc.'s Uniform Submission Agreement signed:
May 20, 2003

Respondent Robert L. Levine's Uniform Submission Agreement signed: June 30, 2003

CASE SUMMARY

Claimant alleged fraud, deceit, negligent misrepresentation, omission of material fact, negligence, suitability, violation of California Corporations Code Section 25401, failure to supervise, and breach of fiduciary duty. Claimant's allegations involved transactions in Dresdner RCM Global Technology Fund, Dresdner RCM Biotechnology Fund, RS Aggressive Growth Fund, Van Wagoner Post Venture Fund, Artisan Mid Cap, White Oak Growth Stock, and Oakmark Select Fund.

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 \$555,420.00, unspecified punitive damages, interest, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, expungement of all reference to the above captioned arbitration from Respondents' registration records maintained by the NASD Central Registration Depository ("CRD"), and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On May 6, 2003, NASD Dispute Resolution received notice of Special Power of Attorney from Nai-Shih Ting appointing Candice Ting Hom as his attorney-in-fact.

On May 18, 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 July 16, 2003, Respondents' counsel signed a Waiver Agreement on behalf of Respondents expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On June 3, 2004, Respondents moved the Panel to dismiss claims of suitability. After due deliberation, the Panel denied the motion.

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

FINDINGS AND CONCLUSIONS

It is the unanimous opinion of the Panel that gaps and deficiencies exist in Royal Alliance Associates, Inc.'s supervision of Robert L. Levine's client base. It is the recommendation of the Panel that Royal Alliance Associates, Inc. remedy any and all gaps and deficiencies not only of Robert L. Levine's client base, but of all other client bases throughout their operations.

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 Royal Alliance Associates, Inc. is liable to and shall pay Claimant the sum of \$563,482.41 in compensatory damages.
2. Respondent Robert L. Levine is liable to and shall pay Claimant the sum of \$10,604.55 in compensatory damages.
3. Respondent Royal Alliance Associates, Inc. is liable to and shall pay Claimant interest in the amount of 6% per annum on \$563,482.41 from June 7, 2004, until the date payment of this Award is made in full.
4. Respondent Robert L. Levine is liable to and shall pay Claimant interest in the amount of 6% per annum on \$10,604.55 from June 7, 2004, until the date compensatory damages payment of this Award is made in full.
5. Claimant's request for punitive damages is denied.
6. The parties shall bear their respective costs, including attorney's fees.
7. All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code of Arbitration Procedure ("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	= \$ 375.00
--------------------------	-------------

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 Royal Alliance Associates, 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>
Total Member Fees	= \$ 7,000.00

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:

One (1) Pre-hearing conference session with a single arbitrator @ \$450.00/session = \$ 450.00
Pre-hearing conference: May 6, 2004 1 session

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session = \$ 1,200.00
Pre-hearing conference: October 15, 2003 1 session

Eight (8) Hearing sessions @ \$1,200.00/session = \$ 9,600.00
Hearings: June 2, 2004 2 sessions
June 3, 2004 2 sessions
June 4, 2004 2 sessions
June 7, 2004 2 sessions

Total Forum Fees = **\$11,250.00**

The Panel assessed \$11,250.00 of the forum fees to Royal Alliance Associates, Inc., Respondent.

Fee Summary

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

<u>Initial Filing Fee</u>	= \$ 375.00
Total Fees	= \$ 375.00
<u>Less payments</u>	<u>= \$(1,575.00)</u>
Refund due Claimant	= \$(1,200.00)

2. Respondent Royal Alliance Associates, Inc. is charged with the following fees and costs:

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	<u>= \$11,250.00</u>
<u>Less payments</u>	<u>= \$ (7,000.00)</u>
Balance Due NASD Dispute Resolution	= \$11,250.00

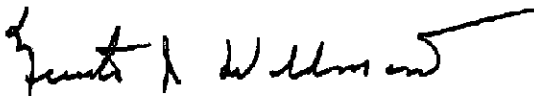
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Newton Ira Waldman, Esq.
Pamela Kay Nemeth
Richard C. Ramos

- Public, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures



Newton Ira Waldman, Esq.
Chair, Public Arbitrator

6/9/04
Signature Date

Pamela Kay Nemeth
Public Arbitrator

Signature Date

Richard C. Ramos
Non-Public Arbitrator

Signature Date

06/09/04
Date of Service

ARBITRATION PANEL

Newton Ira Waldman, Esq.	-	Public, Presiding Chair
Pamela Kay Nemeth	-	Public Arbitrator
Richard C. Ramos	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Newton Ira Waldman, Esq.
Chair, Public Arbitrator

Signature Date



Pamela Kay Nemeth
Public Arbitrator

6-9-04
Signature Date

Richard C. Ramos
Non-Public Arbitrator

Signature Date

06/09/04
Date of Service

ARBITRATION PANEL

Newton Ira Waldman, Esq.	-	Public, Presiding Chair
Pamela Kay Nemeth	-	Public Arbitrator
Richard C. Ramos	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Newton Ira Waldman, Esq.
Chair, Public Arbitrator

Signature Date

Pamela Kay Nemeth
Public Arbitrator

Signature Date



Richard C. Ramos
Non-Public Arbitrator

6-9-04
Signature Date

Date of Service