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Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Donald J. Rudenski, Claimant v. UBOC Investment Services, Inc., Carrie C.J. Leeflang and Jack Darwin Fannin, Respondents

Case Number: 03-04765

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

Rod M. Bidgoli, Esq., Esq.
Irvine Law Corporation, PLC
Irvine, California

For Respondents:

Stacey M. Garrett, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed: June 26, 2003

Claimant's Uniform Submission Agreement signed: June 23, 2003

Joint Statement of Answer filed by Respondents: September 24, 2003

Respondent Jack D. Fannin's Uniform Submission Agreement signed: November 24, 2003

CASE SUMMARY

Claimant alleged breach of fiduciary duty, unsuitability, unauthorized trading, fraud, misrepresentation, non-disclosure, negligent omission of facts and failure to supervise in connection with the purchase of a Hartford Flexible Premium Variable Life Insurance policy.

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

RELIEF REQUESTED

Claimant requested unspecified compensatory damages, unspecified punitive damages, unspecified interest, 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.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Carrie C.J. Leeftang and UBOC Investments, Inc. did not file with the NASD Dispute Resolution, properly executed submission agreements; however, all said Respondents are required to submit to arbitration and, having answered the claim, Respondents Carrie C.J. Leeftang and UBOC Investments, Inc. are bound by the determination of the Panel on all issues submitted.

On June 22, 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.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant 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.

On February 8, 2004 the Parties notified NASD Dispute Resolution that they had entered into a confidential settlement agreement concerning this matter and that as part of the settlement terms the parties agreed to request the Panel to recommend expungement of all reference to the above captioned arbitration from Respondents' Carrie C.J. Leeftang and Jack Darwin Fannin registration records maintained by the NASD Central Registration Depository.

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

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AWARD

After considering the pleadings and the Parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) The Parties' have entered into a confidential settlement agreement.
- 2) Claimant's claims are dismissed with prejudice.
- 3) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Carrie C.J. Leeftang's and Jack Darwin Fannin's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Carrie C.J. Leeftang and Jack Darwin Fannin 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.

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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	= \$ 250.00
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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 UBOC Investment Services, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$1,500.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$2,200.00</u>
Total Member Fees	= \$4,450.00

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 or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session(s) with the Panel @ \$1,000/session	= \$1,000.00
Pre-hearing conference: December 11, 2003 1 session	
Total Forum Fees	= \$1,000.00

1. The Panel assessed \$500.00 of the forum fees to Claimant.
2. The Panel assessed \$500.00 of the forum fees jointly and severally to Respondents.

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Fee Summary

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

Initial Filing Fee	= \$ 250.00
Forum Fees	= \$ 500.00
Total Fees	= \$ 750.00
Less payments	= \$(1,250.00)
Refund Due Claimant	= \$ (500.00)

2. Respondent UBOC Investment Services, Inc. is charged with the following fees and costs:

Member Fees	= \$ 4,450.00
Less payments	= \$(5,450.00)
Refund Due Respondent UBOC Investment Services, Inc.	= \$(1,000.00)

3. Respondents UBOC Investment Services, Inc., Carrie C.J. Leeftang and Jack Darwin Fannin are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 500.00
Less payment by Respondent Jack D. Fannin	= \$ (500.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

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.

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ARBITRATION PANEL

<i>Steven A. Wawra, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>David R. Brown</i>	-	<i>Public Arbitrator</i>
<i>Michael D. Donahue, Esq.</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Steven A. Wawra, Esq.
Chair, Public Arbitrator

Signature Date



David R. Brown
Public Arbitrator

7/19/04

Signature Date

Michael D. Donahue, Esq.
Non-Public Arbitrator

Signature Date

7/22/04

Date of Service

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ARBITRATION PANEL

Steven A. Wawra, Esq.

David R. Brown

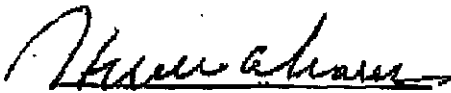
Michael D. Donahue, Esq.

Public Arbitrator, Presiding Chair

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures



Steven A. Wawra, Esq.
Chair, Public Arbitrator

7-20-04
Signature Date

David R. Brown
Public Arbitrator

Signature Date

Michael D. Donahue, Esq.
Non-Public Arbitrator

Signature Date

7/22/04
Date of Service