

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

The Loney Family Trust "W", The Loney Family Trust "H", Claimants v. Steve Ruhland, Lisa Sharp, and Charles Schwab and Co., Inc., Respondents

Case Number: 03-04941

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimants:

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

For Respondent:

Mark T. Dooks, Esq.
Bird, Marell, Boxer, Wolpert
& Matz
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: July 03, 2003

Claimants' Joint Uniform Submission Agreement signed: June 16, 2003

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

Respondent Charles Schwab and Co., Inc.'s Uniform Submission Agreement signed:
October 24, 2003

Respondent Steve Ruhland's Uniform Submission Agreement signed: January 29, 2004

Respondent Lisa Sharp's Uniform Submission Agreement signed: September 15, 2003

CASE SUMMARY

Claimants alleged breach of fiduciary duty, unsuitability, fraud, deceit, omission of material facts, negligence, violation of federal and state securities laws and of NASD and NYSE rules, elder abuse, and failure to supervise. Claimants' allegations involved transactions in unspecified securities.

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

RELIEF REQUESTED

Claimants requested \$355,890.51 in compensatory damages, punitive damages, pre- and post-judgment interest and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, costs, and the expungement of all reference to the above-captioned arbitration from Respondents Steve Ruhland's and Lisa Sharp's registration records maintained by the NASD Central Registration Depository.

OTHER ISSUES CONSIDERED AND DECIDED

On January 4, 2004, 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.

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, 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 Charles Schwab and Co., Inc. is liable to and shall pay Claimants the sum of \$50,000.00 in compensatory damages.
- 2) All claims against Respondents Steve Ruhland and Lisa Sharp are dismissed with prejudice.
- 3) The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondents Steve Ruhland's and Lisa Sharp's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Steve Ruhland and Lisa Sharp 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	= \$ 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 Charles Schwab and 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

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 with the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: April 8, 2004 1 session	
Six (6) Hearing sessions @ \$1,125.00/session	= \$6,750.00
Hearings: July 12, 2004 2 sessions	
July 13, 2004 2 sessions	
July 14, 2004 2 sessions	
Total Forum Fees	= \$7,875.00

1. The Panel assessed \$3,937.50 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$3,937.50 of the forum fees to Respondent Charles Schwab and Co., Inc.

Fee Summary

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

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 3,937.50
Total Fees	= \$ 4,237.50
Less payments	= \$(1,425.00)
Balance Due NASD Dispute Resolution	= \$ 2,812.50

2. Respondent Charles Schwab and Co., Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 3,937.50
Total Fees	= \$ 9,137.50
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 3,937.50

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>Charles Chazen</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>George Hubner</i>	-	<i>Public Arbitrator</i>
<i>Lewis H. Kairys</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Charles Chazen
Chair, Public Arbitrator

Signature Date

George Hubner
Public Arbitrator

Signature Date

Lewis H. Kairys
Non-Public Arbitrator

Signature Date

7/21/04
Date of Service

ARBITRATION PANEL

Charles Chazen

George Hubner

Lewis H. Kairys

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Public Arbitrator, Presiding Chair

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures


Charles Chazen
Chair, Public Arbitrator

July 21, 2004
Signature Date

George Hubner
Public Arbitrator

Signature Date

Lewis H. Kairys
Non-Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

<i>Charles Chazen</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>George Hubner</i>	-	<i>Public Arbitrator</i>
<i>Lewis H. Kairys</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Charles Chazen
Chair, Public Arbitrator

Signature Date

George Hubner
Public Arbitrator

Signature Date


Lewis H. Kairys
Non-Public Arbitrator

7/20/04
Signature Date

Date of Service

ARBITRATION PANEL


Charles Chazen
George Hubner
Lewis H. Kairys

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

Concurring Arbitrators' Signatures

Charles Chazen
Chair, Public Arbitrator

Signature Date



George Hubner
Public Arbitrator

7/21/04

Signature Date

Lewis H. Kairys
Non-Public Arbitrator

Signature Date

Date of Service