

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Terry A. Cooper, Claimant v. Wedbush Morgan Securities Inc., William E. Cessnun, and Charles A. Webb, Respondents

Case Number: 03-04976

Hearing Site: Seattle, Washington

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

REPRESENTATION OF PARTIES

For Claimant:

Richard D. Brady, Esq.
Richard D. Brady, PLLC
Tacoma, Washington

For Respondents:

Judy Louie, Esq.
Wedbush Morgan Securities Inc.
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: July 2, 2003

Claimant's Uniform Submission Agreement signed: July 2, 2003

Joint Statement of Answer and Motion to Dismiss Charles A. Webb filed by Respondents:
October 3, 2003

Respondent Wedbush Morgan Securities Inc.'s Uniform Submission Agreement signed:
September 23, 2003

Respondent William E. Cessnun's Uniform Submission Agreement signed: August 4, 2003

Respondent Charles A. Webb's Uniform Submission Agreement signed: September 22, 2003

CASE SUMMARY

Claimant alleged negligence, unsuitability, misrepresentations, omission of material facts, churning, breach of fiduciary duty, failure to supervise, violation of state and federal securities laws, violation of the state of Washington's Consumer Protection Act, and violation of NASD rules and regulations. Claimant's allegations involved unspecified securities.

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

RELIEF REQUESTED

Claimant requested \$63,546.00 in compensatory damages, \$10,000.00 in exemplary damages, interest at the rate of 8% per annum, opportunity costs, statutory damages, and costs, including attorney's fees.

Respondents requested dismissal of Claimant's Statement of Claim in its entirety, attorney's fees, costs, and expungement of all reference to the above captioned arbitration from the registration records of William E. Cessnun and Charles A. Webb that are maintained by NASD's Central Registration Depository.

OTHER ISSUES CONSIDERED AND DECIDED

On February 12, 2004, Respondents filed a motion to change venue. On April 7, 2004, the Panel denied Respondents' motion to change venue.

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, evidence presented at the hearing, and the post-hearing submissions, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents Wedbush Morgan Securities Inc. and William E. Cessnun are jointly and severally liable to and shall pay Claimant Terry A. Cooper the sum of \$63,000.00 in compensatory damages.
- 2) All claims against Respondent Charles A. Webb are dismissed with prejudice.
- 3) The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Charles A. Webb's registration records maintained by NASD's Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Charles A. Webb 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	= \$ 225.00
--------------------------	-------------

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 Wedbush Morgan Securities Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 1,700.00</u>
Total Member Fees	= \$ 3,550.00

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 Panel. The following fees are assessed:

1 Pre-hearing conference session @ \$ 750.00/session	= \$ 750.00
Pre-hearing conference: January 28, 2004 1 session	
5 Hearing sessions @ \$ 750.00/session	= \$ 3,750.00
Hearings: September 22, 2004 2 sessions	
September 23, 2004 2 sessions	
September 24, 2004 1 sessions	
Total Forum Fees	= \$ 4,500.00

The Panel assessed \$4,500.00 of the forum fees jointly and severally to Respondents Wedbush Morgan Securities Inc. and William E. Cessnun.

FEE SUMMARY

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

Initial Filing Fee	= \$ 225.00
<u>Less payments</u>	= \$ (975.00)
Refund Due Claimant	= \$ (750.00)
2. Respondent Wedbush Morgan Securities Inc. is charged with the following fees and costs:

Member Fees	= \$ 3,550.00
<u>Less payments</u>	= \$(3,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Respondents Wedbush Morgan Securities Inc. and William E. Cessnun are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 4,500.00
<u>Less payments</u>	= \$(0.00)
Balance Due NASD Dispute Resolution	= \$ 4,500.00

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

Jason T. Dennett
Daniel S. Gottlieb
Jan Aalbregeise Slinn

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


Jason T. Dennett, J.D.
Chair, Public Arbitrator

9/30/04
Signature: Date

Daniel S. Gottlieb
Public Arbitrator

Signature: Date

Jan Aalbregeise Slinn, J.D.
Non-Public Arbitrator

Signature: Date

10/1/04
Date of Service

ARBITRATION PANEL

<i>Jason T. Dennett</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Daniel S. Gottlieb</i>	-	<i>Public Arbitrator</i>
<i>Jan Aalbregeise Slinn</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Jason T. Dennett, J.D.
Chair, Public Arbitrator

Signature: Date



Daniel S. Gottlieb
Public Arbitrator

9/30/04
Signature: Date

Jan Aalbregeise Slinn, J.D.
Non-Public Arbitrator

Signature: Date

10/1/04
Date of Service

ARBITRATION PANEL

<i>Jason T. Dennett</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Daniel S. Gottlieb</i>	-	<i>Public Arbitrator</i>
<i>Jan Aalbrektse Slinn</i>	-	<i>Non-Public Arbitrator</i>


Concurring Arbitrators' Signatures

Jason T. Dennett, J.D.
Chair, Public Arbitrator

Signature Date

Daniel S. Gottlieb
Public Arbitrator

Signature Date



Jan Aalbrektse Slinn, J.D.
Non-Public Arbitrator

7/30/04

Signature Date

10/1/04

Date of Service