

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Sharon Kroeker, Claimant v. Clifford J. Chinn and John E. Hartman, Respondents

Case Number: 04-01962

Hearing Site: Los Angeles, California

Nature of the Dispute: Customer v. Associated Persons

REPRESENTATION OF PARTIES

For Claimant:

In Propria Persona

For Respondent Clifford J. Chinn:

In Propria Persona

For Respondent John E. Hartman:

In Propria Persona

CASE INFORMATION

Statement of Claim filed: March 12, 2004

Claimant's Uniform Submission Agreement signed: April 1, 2004

Statement of Answer filed by Respondent John E. Hartman: November 1, 2004

CASE SUMMARY

Claimant alleged unsuitability, misrepresentation of facts, and omissions, involving a promissory note and warrant for an investment in NextAdvisors, Inc.

Respondent John E. Hartman denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$15,000.00 in compensatory damages, \$1,000,000.00 in punitive damages, unspecified interest, and costs.

Respondent John E. Hartman requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned Panel determined that Respondents Clifford J. Chinn and John E. Hartman were properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Clifford J. Chinn did not file with the NASD Dispute Resolution a properly executed submission agreement, however, Respondent Clifford J. Chinn is required to submit to arbitration and is bound by the determination of the Panel on all issues submitted.

Respondent John E. Hartman did not file with the NASD Dispute Resolution a properly executed submission agreement, however, Respondent John E. Hartman is required to submit to arbitration, and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

On April 27, 2004, Claimant 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.

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) Respondents Clifford J. Chinn and John E. Hartman are jointly and severally liable to and shall pay Claimant the sum of \$15,000.00 in compensatory damages.
- 2) Respondents Clifford J. Chinn and John E. Hartman are jointly and severally liable to and shall pay Claimant interest in the amount of 10% per annum on \$15,000.00 from August 17, 2001 until the date that payment of this Award is made in full.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) 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 = waived

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 Panel. The following fees are assessed:

1 Pre-hearing conference session with the Panel @ \$1,200.00/session = \$ 1,200.00
Pre-hearing conference: August 6, 2004 1 session

1 Hearing session @ \$1,200.00/session = \$ 1,200.00
Hearing: November 22, 2004 1 session

Total Forum Fees = \$ 2,400.00

The Panel assessed \$ 2,400.00 of the forum fees jointly and severally to Respondents Clifford J. Chinn and John E. Hartman.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Claimant requested 135 photocopies @ \$0.50 each: = \$ 67.50

Fee Summary

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

<u>Administrative Costs</u>	= \$ 67.50
Total Fees	= \$ 67.50
<u>Less payments</u>	= \$(67.50)
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondents Clifford J. Chinn and John E. Hartman are jointly and severally charged with the following fees and costs:

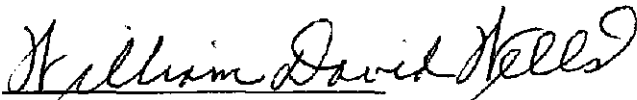
Forum Fees	= \$ 2,400.00
<u>Less payments</u>	= \$(0.00)
Balance Due NASD Dispute Resolution	= \$ 2,400.00

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

William David Wells	-	Public Arbitrator, Presiding Chair
Thomas W. Gregory	-	Public Arbitrator
Robert H. Logan, Esq.	-	Non-Public Arbitrator

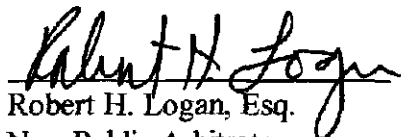
Concurring Arbitrators' Signatures


William David Wells
Chair, Public Arbitrator

Nov. 22, 2004
Signature Date


Thomas W. Gregory
Public Arbitrator

Nov. 22, 2004
Signature Date


Robert H. Logan, Esq.
Non-Public Arbitrator

Nov. 22, 2004
Signature Date

11/22/04
Date of Service