

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 04-02010

Ananda B. Chellapan

Name of the Respondent

Hearing Site: Richmond, Virginia

Scottrade Financial Services

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

Claimant, Ananda B. Chellapan, hereinafter referred to as "Claimant", was represented by Joseph W. Kaestner, Esq., Kaestner and Associates, P.C., Richmond, Virginia.

Respondent, Scottrade Financial Services, hereinafter referred to as "Respondent", was represented by Sherri C. Strand, Esq., Thompson Corburn, LLP, St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on March 18, 2004.

Claimant signed the Uniform Submission Agreement on March 18, 2004.

Statement of Answer filed by Respondent on May 27, 2004.

A representative of Respondent executed the Uniform Submission Agreement on May 15, 2004.

Respondent's Pre-Hearing Brief requesting dismissal was filed on December 17, 2004.

Claimant's Pre-Hearing Brief was filed on December 20, 2004.

Respondent's Reply to Brief of Claimant in Further Support of Dismissal was filed on January 19, 2005.

CASE SUMMARY

Claimant asserted a cause of action for unauthorized activity on his account relating to Respondent freezing Claimant's account in response to a garnishment summons and liquidating unspecified securities in the account to satisfy margin.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted, assumption of risk, failure to mitigate, statute of limitations, waiver, laches, and estoppel.

RELIEF REQUESTED

Claimant in his Statement of Claim requested:

Compensatory Damages	\$151,000.00
Interest	amount unspecified
Other Costs	amount unspecified

Respondent in its Statement of Answer requested that the Statement of Claim be dismissed in its entirety, and all costs be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

By Order dated February 7, 2005, the Panel denied Respondent's Motion to Dismiss.

The parties have 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, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondent are denied in their entirety;
2. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
3. Any and all relief not specifically addressed herein is denied in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent is a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

February 7-8, 2005, adjournment by Claimant = \$1,125.00

1. The Panel has assessed \$1,125.00 of the adjournment fees to Claimant.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) Pre-hearing sessions with Panel @ \$1,125.00 = \$3,375.00

Pre-hearing conferences:	October 7, 2004	1 session
	January 5, 2005	1 session
	February 7, 2005	1 session

Two (2) Hearing sessions @ \$1,125.00 = \$2,250.00

Hearing Date: April 19, 2004 2 sessions

Total Forum Fees = \$5,625.00

1. The Panel has assessed \$4,500.00 of the forum fees to Claimant.

2. The Panel has assessed \$1,125.00 of the forum fees to Respondent.

FEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$1,125.00
<u>Forum Fees</u>	<u>= \$4,500.00</u>
Total Fees	= \$5,925.00
<u>Less payments</u>	<u>= \$5,825.00</u>
Balance Due NASD Dispute Resolution	= \$ 100.00

2. Respondent is assessed and shall pay the following fees:

Member Fees	= \$5,200.00
<u>Forum Fees</u>	<u>= \$1,125.00</u>
Total Fees	= \$6,325.00
<u>Less payments</u>	<u>= \$6,000.00</u>
Balance Due NASD Dispute Resolution	= \$ 325.00

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

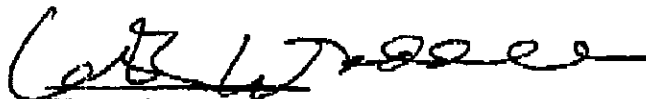
ARBITRATION PANEL

William R. Waddell, Esq.
James A. Cummings
Willaim C. Boinest

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

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Concurring Arbitrators' Signatures



William R. Waddell, Esq.
Public Arbitrator, Presiding Chairperson

5-05-05

Signature Date

James A. Cummings
Public Arbitrator, Panelist

Signature Date

William C. Boineast
Non-Public Arbitrator, Panelist

Signature Date

May 6, 2005
Date of Service (For NASD Dispute Resolution office use only)

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Signature Date

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Public Arbitrator, Panelist

Signature Date

William C. Boines

William C. Boines
Non-Public Arbitrator, Panelist

5-3-05
Signature Date

May 6 2005
Date of Service (For NASD Dispute Resolution office use only)