

**Award**  
**NASD Dispute Resolution**

---

In the Matter of the Arbitration Between:

Chris A. Melton, Claimant v. Bruce Marinace, as Conservator for the Estate of Josephine Marinace, Respondent

Case Number: 04-03824

Hearing Site: San Diego, California

---

Nature of the Dispute:  
Associated Person v. Customer

**REPRESENTATION OF PARTIES**

For Claimant:

Brian T. Hafter, Esq.  
Steefel, Levitt & Weiss  
San Francisco, California

For Respondent:

Timothy D. Murphy, Esq.  
Law Office of James Jay Seltzer  
Emeryville, California

**CASE INFORMATION**

Statement of Claim filed: May 26, 2004

Claimant's Uniform Submission Agreement signed: May 25, 2004

Stipulation of Parties filed: June 14, 2004

**CASE SUMMARY**

Claimant filed the Statement of Claim solely for the purposes of an Arbitrator recommending the expungement of NASD Arbitration Case #03-03386 from his Central Registration Depository (CRD) record. Respondent stipulated to the request.

### **RELIEF REQUESTED**

Claimant did not seek monetary relief from Respondent. Claimant solely sought expungement of all reference to NASD Arbitration Case #03-03386 from his CRD record.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On June 4, 2004, 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.

On August 25, 2004, Respondent's counsel signed a Waiver Agreement on Respondent's behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Respondent did not file with NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Arbitrator on all issues submitted.

The parties agreed that a handwritten, signed Award may be entered.

### **STIPULATION OF PARTIES**

Claimant and Respondent, by and through their respective counsel, stipulate as follows:

- 1) Claimant's Statement of Claim seeks the entry of an Award expunging from Claimant's CRD records the claims that Respondent previously filed in the action entitled *Bruce Marinace, as Conservator for the Estate of Josephine Marinace v. A.G. Edwards & Sons, Inc., William Fitzmaurice, and Chris Melton*, Case # 03-03386.
- 2) In the Stipulation for Award attached as Exhibit A to Claimant's Statement of Claim, Respondent agreed that the claims he asserted in the arbitration should be expunged from Chris A. Melton's Form U4, Form U5 and any other NASD reporting document. By signing the Stipulation of Parties, Respondent reaffirms his prior agreement that such claims should be expunged.

- 3) In light of the foregoing, Claimant agrees that Respondent need not file a response to Claimant's Statement of Claim.
- 4) *The parties agree that NASD circulate promptly the arbitrator selection list; establish a deadline of ten (10) days for the parties to rank and strike potential arbitrators; appoint a single arbitrator; and schedule this matter to be heard on an expedited basis.*

### **AWARD**

After considering the pleadings and the Stipulation of Parties, the Arbitrator decided in full and final resolution of the issues submitted for determination as follows:

- 1) Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure, the arbitrator has made the following affirmative findings of fact: The claim allegations in NASD Case #03-03386 are found to be clearly erroneous. Chris A. Melton was not involved in the alleged investment-related sales practice violation.
- 2) The Arbitrator recommends the expungement of all reference to NASD Case #03-03386 from Chris A. Melton's registration records maintained by CRD, with the understanding that pursuant to NASD Notice to Members 04-16, Chris A. Melton must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 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 of Arbitration Procedure ("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

#### **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 A.G. Edwards & Sons, Inc. employed Claimant Chris A. Melton at the time of the events giving rise to this dispute and the following fees are assessed:

Member Surcharge = \$ 1,500.00

Pre-Hearing Process Fee = \$ 750.00

**Total Member Fees** = \$ 2,250.00

#### **Forum Fees and Assessments**

The Arbitrator assessed a forum fee for each pre-hearing conference session conducted. A pre-hearing conference is any meeting between the parties and the Chair. The following fees are assessed:

One (1) Pre-hearing conference session with a single arbitrator @ \$450.00/session = \$ 450.00

Pre-hearing conference: October 20, 2004 1 session

---

**Total Forum Fees** = \$ 450.00

1. The Arbitrator assessed \$225.00 of the forum fees to Claimant.
2. The Arbitrator assessed \$225.00 of the forum fees to Respondent.

**Fee Summary**

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

Initial Filing Fee	= \$ 250.00
<u>Forum Fees</u>	= \$ 225.00
Total Fees	= \$ 475.00
<u>Less payments</u>	= \$(1,500.00)
<b>Refund Due Claimant</b>	<b>= \$(1,025.00)</b>

2. Respondent is charged with the following fees and costs:

<u>Forum Fees</u>	= \$ 225.00
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 225.00</b>

3. A.G. Edwards & Sons, Inc. is assessed the following fees and costs:

Member Fees	= \$ 2,250.00
<u>Less payments</u>	= \$(2,250.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

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.

**ARBITRATOR**

E. Milton Frosburg, Esq.

Public Arbitrator, Presiding Chair

**Arbitrator's Signature**

E. Milton Frosburg  
E. Milton Frosburg, Esq.  
Chair, Public Arbitrator

10/21/04  
Signature Date

10/22/04  
Date of Service