

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Geoffrey Scott Paul, Claimant v. CIBC World Markets Corp., Respondent

Case Number: 04-03827

Hearing Site: Los Angeles, California

Nature of the Dispute: Associated Person v. Member

REPRESENTATION OF PARTIES

For Geoffrey Scott Paul:

Michael Blumenfeld, Esq.
Catherine L. Rhodes, Esq.
Freeman, Freeman & Smiley, LLP
Los Angeles, California

For CIBC World Markets Corp.:

Michelle Murphy, Esq.
CIBC World Markets Corp.
New York, New York

CASE INFORMATION

Statement of Claim filed: May 26, 2004

Claimant's Uniform Submission Agreement signed: May 26, 2004

Statement of Answer filed by Respondent: July 13, 2004

Respondent's Uniform Submission Agreement signed: July 14, 2004

CASE SUMMARY

Claimant alleged that Respondent's language on the March 28, 2002 Form U-5 Termination Notice filed by Respondent was erroneous, false, and misleading.

Respondent filed a statement of non-objection to Claimant's allegations.

RELIEF REQUESTED

Claimant requested expungement of erroneous information contained on both the Form U-5 filed by Respondent and Amended Form U-5 filed by Claimant in response thereto.

Respondent made no objection to the expungement requested by Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

On August 3, 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.

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.

On February 8, 2005, the Arbitrator granted the parties' request to decide the case on the papers submitted, without a formal hearing.

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

FINDINGS

Based upon the record presented in this matter, no client has made any allegations of misconduct on the part of Claimant Geoffrey Scott Paul ("Claimant") as to the matter that is the subject of the expungement request at issue.

Claimant and Respondent CIBC World Markets Corp. ("Respondent") have entered into a stipulation, dated April 4, 2005, agreeing upon the replacement language that is the subject of the Award below.

Respondent has represented through the declaration of the individual who conducted the internal investigation of the Claimant at the time of his resignation that the replacement language below with respect to the March 28, 2002 Form U-5 Termination Notice filed by Respondent as to the Claimant is more accurate than the original language to be expunged.

The instant action for expungement is exempt from the procedures set forth in NASD Rule 2130, such that no court order shall be required to effect such expungement.

AWARD

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

1. With respect to the CRD of Claimant, the language contained in response to Item 3 of Part 1 of Item 7(B) in the March 28, 2002 Form U-5 Termination Notice filed by the Respondent as to the Claimant is permanently expunged, to be replaced with the following language agreed upon by Claimant and Respondent in response to Item 3 of Part 1 of Item 7(B):

"Following Mr. Paul's resignation, the firm conducted an internal investigation concerning fund transfers from a client's trust account to Mr. Paul's bank account. Mr. Paul stated that these transfers were a loan to him and provided the firm with loan documentation. The client confirmed the existence of the loan. Later, it was alleged that Mr. Paul caused the issuance of questionable letters authorizing some of these transfers. The client provided the firm with a sworn, notarized declaration stating that the client authorized all of the transfers from the account in advance and that the loan was current. Mr. Paul stated that he was aware that he did not follow firm policy by properly disclosing the existence of the loan to the firm. No client made any allegations of misconduct on the part of Mr. Paul. The firm's investigation has now been concluded."

2. The following language in Part II to the Internal Review DRP as contained in the amended Form U-5 as to the Claimant that was filed on his behalf on March 24, 2003 shall be permanently expunged:

"Transfer of funds from client's trust account to Mr. Paul's personal account related to a revolving loan from the client to Mr. Paul. The client has confirmed under oath, that all of the withdrawals/transfers were authorized in advance. There has never been a complaint by the client as to any unauthorized withdrawals/transfers. Mr. Paul did not write, authorize or have any awareness of any illegitimate letters of authorization relating to the withdrawals/transfers from the client's trust account. Client's accountant has confirmed, in writing, that he received no false and/or inaccurate information from Mr. Paul. CIBC was aware of the pre-existing lender/borrower relationship between Mr. Paul and the client at the time he was hired by CIBC. CIBC began its

internal inquiry on March 5, 2002 after Mr. Paul notified the firm on or before March 4, 2002 of his intentions to resign;"

3. The expungement of Item 3 of Part 1 of Item 7(B) in the March 28, 2002 Form U-5 Termination Notice referenced above is made based on the grounds that the subject language to be expunged, taken as a whole and as compared to the agreed upon new language, is defamatory and misleading.
4. Claimant shall retain his right to file a response to the replacement language in the March 28, 2002 Form U-5 Termination Notice.
5. The parties shall bear their respective costs, including attorney's fees.
6. 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 | = \$ 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 CIBC World Markets Corp. is a party and the following fees are assessed:

| | |
|--------------------------------|---------------------|
| Member Surcharge | = \$1,500.00 |
| <u>Pre-Hearing Process Fee</u> | <u>= \$ 750.00</u> |
| Total Member Fees | = \$2,250.00 |

Forum Fees and Assessments

The Arbitrator 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 Arbitrator. The following fees are assessed:

| | |
|--|-------------|
| Two (2) Pre-hearing conference sessions with the arbitrator @ \$450.00/session | = \$ 900.00 |
| Pre-hearing conferences: October 18, 2004 1 session | |
| February 8, 2005 1 session | |

| | |
|--|---------------------|
| <u>Fee for a Decision on the Papers only</u> | <u>= \$1,000.00</u> |
| Total Forum Fees | = \$1,900.00 |

Fee Summary

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

| | |
|--|---------------------|
| Initial Filing Fee | = \$ 250.00 |
| Forum Fees | = \$ 950.00 |
| Total Fees | = \$ 1,200.00 |
| Less payments | = \$(1,250.00) |
| Refund Due from NASD Dispute Resolution | = \$ (50.00) |

2. Respondent CIBC World Markets Corp. is charged with the following fees and costs:

| | |
|--|--------------------|
| Member Fees | = \$ 2,250.00 |
| Forum Fees | = \$ 950.00 |
| Total Fees | = \$ 3,200.00 |
| Less payments | = \$(2,250.00) |
| Balance Due NASD Dispute Resolution | = \$ 950.00 |

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.

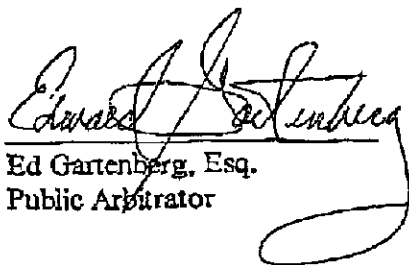
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ARBITRATION PANEL

Ed Gartenberg, Esq.

Public Arbitrator

Arbitrator's Signature


Ed Gartenberg, Esq.
Public Arbitrator

4/5/05
Signature Date

April 5, 2005
Date of Service