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

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In the Matter of the Arbitration Between:

Name of the Claimant  
John Park

Case Number: 04-05168

Names of the Respondents  
E\*Trade Securities, LLC  
Kristin C. Lannum

Hearing Site: Orlando, Florida

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Nature of the Dispute: Customer vs. Member and Associated Person.

**REPRESENTATION OF PARTIES**

John Park, hereinafter referred to as "Claimant", appeared pro se.

For E\*Trade Securities, LLC ("E\*Trade") and Kristin C. Lannum ("Lannum"), hereinafter collectively referred to as "Respondents": John Bersin, Esq., E\*Trade Securities, LLC, Rancho Cordova, California.

**CASE INFORMATION**

Statement of Claim filed on or about: July 19, 2004.

Claimant signed the Uniform Submission Agreement: July 14, 2004.

Amended Statement of Claim filed by Claimant on or about: August 4, 2004.

Answer to the Statement of Claim filed by Respondents on or about: September 13, 2004.

Respondent Lannum did not file an executed Uniform Submission Agreement.

Respondent E\*Trade signed the Uniform Submission Agreement: September 9, 2004.

**CASE SUMMARY**

Claimant asserted the following causes of action: 1) gross negligence; and 2) breach of contract. The causes of action relate to alleged mismanagement of Claimant's account at E\*Trade. There are no identified securities at issue.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Amended Statement of Claim and asserted various affirmative defenses and other additional defenses.

**RELIEF REQUESTED**

Claimant requested: 1) compensatory damages in the amount of \$80,000.00; 2) punitive damages in

the amount of \$80,000.00; 3) interest; and 4) costs.

Respondents requested: 1) that the Statement of Claim be denied; 2) costs; and 3) such other and further relief that the undersigned arbitrators (the "Panel") deem just and necessary.

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

Respondent Lannum did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement, but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

At the evidentiary hearing, Claimant withdrew his claims against Respondent Lannum and the Panel accepted his withdrawal of the claims.

At the evidentiary hearing, Respondent Lannum made an ore tenus motion to expunge this arbitration proceeding from her NASD Central Registration Depository ("CRD") record.

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, 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 made against Respondent E\*Trade are denied in their entirety and dismissed with prejudice.
- 2) Claimant's withdrawal of claims against Respondent Lannum is accepted.
- 3) Claimant's request for punitive damages is denied.
- 4) Claimant's request for costs is granted. Respondent E\*Trade is liable in the amount of \$100.00 to Claimant for costs of postage, certified letters and telephone calls.
- 5) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Lannum's registration records maintained by the CRD, with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Lannum must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

The registered person was not involved in the alleged investment-related sales practice violation, nor the mis-handling or misappropriation funds.

The claim, allegation, or information is false.

The Claimant withdrew his claims against Respondent Lannum at the hearing.

6) Any and all other claims for relief not specifically addressed herein, including attorneys' fees, are denied.

### **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:

There were no filing fees assessed in this arbitration proceeding.

#### **Member Fees**

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

Accordingly, Respondent E\*Trade is a party and a member firm.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00
Total Member Fees	= \$5,200.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

#### **Three-Day Cancellation Fees**

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

There were no three-day cancellation fees assessed during these proceedings.

**Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

There were no injunctive relief fees assessed during these proceedings.

**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:

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

Pre-hearing conference: September 1, 2005 1 session

One (1) Pre-hearing session with the Panel @ \$1,125.00/session = \$1,125.00

Pre-hearing conference: January 21, 2005 1 session

Two (2) Hearing sessions with Panel @ \$1,125.00/session = \$2,255.00

Hearing Date: September 12, 2005 2 sessions

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Total Forum Fees = \$3,825.00

The Panel has assessed all forum fees in the amount of \$3,825.00 to Respondent E\*Trade.

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

**Fee Summary**

Respondent E\*Trade is solely liable for:

Forum Fees = \$3,825.00

Member Fees = \$5,200.00

Total Fees = \$9,025.00

Less payments = \$5,200.00

Balance Due NASD Dispute Resolution = \$3,825.00

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

**ARBITRATION PANEL**

<i>Ian S. Greig</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Edith N. Dinneen, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Gregory L. Hess</i>	-	<i>Non-Public Arbitrator</i>

### Concurring Arbitrators' Signatures

/s/  
Ian S. Greig  
Public Arbitrator, Presiding Chairperson

9/17/05  
Signature Date

/s/  
Edith N. Dinneen, Esq.  
Public Arbitrator

9/15/05  
Signature Date

/s/  
 Gregory L. Hess  
 Non-Public Arbitrator

9/19/05  
Signature Date

9/19/05  
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution  
 Arbitration No. 04-05168  
Award Page 5 of 5

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