

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Charn Chuan Lee, Claimant v. Charles Schwab & Co., Inc., Lawrence Suemitsu Furukawa, and
Carol Mitsuko Furukawa, Respondents

Case Number: 04-06431

Hearing Site: Honolulu, Hawaii

Nature of the Dispute: Associated Person v. Member, Associated Person, and Non-Member

REPRESENTATION OF PARTIES

For Claimant:

Ronald G.S. Au, Esq.
Ronald G.S. Au & Associates
Honolulu, Hawaii

For Respondent Charles Schwab & Co., Inc.:

Sean B. Meehan, Esq.
Charles Schwab & Co., Inc.
San Francisco, California

For Respondent Lawrence Suemitsu Furukawa:

Lawrence Suemitsu Furukawa
In Propria Persona
Honolulu, Hawaii

For Respondent Carol Mitsuko Furukawa:

Douglas H. Knowlton, Esq.
Law Offices of Douglas H. Knowlton
Honolulu, Hawaii

CASE INFORMATION

Statement of Claim filed on or about: September 1, 2004

Claimant's Uniform Submission Agreement signed: September 21, 2004

Statement of Answer filed by Respondent Charles Schwab & Co., Inc.: November 30, 2004

Respondent Charles Schwab & Co., Inc.'s Uniform Submission Agreement signed:
November 18, 2004

Statement of Answer filed by Respondent Lawrence Suemitsu Furukawa: March 22, 2005

Respondent Lawrence Suemitsu Furukawa's Uniform Submission Agreement signed:
May 9, 2005

CASE SUMMARY

Claimant alleged intentional misrepresentations, fraudulent conduct, and non-disclosure, involving unspecified securities.

Unless specifically admitted in its Answer, Respondent Charles Schwab & Co., Inc. denied the allegations made in the Statement of Claim.

Unless specifically admitted in its Answer, Respondent Lawrence Suemitsu Furukawa denied the allegations made in the Statement of Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$300,000.00.

Respondent Charles Schwab & Co., Inc. requested dismissal of the Claimant's Statement of Claim in its entirety and costs.

Respondent Lawrence Suemitsu Furukawa requested dismissal of the Claimant's Statement of Claim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Carol Mitsuko Furukawa is not a member of the NASD and declined to participate in NASD arbitration.

On October 12, 2005, Claimant filed a notice of dismissal against Respondent Charles Schwab & Co., Inc. Claimant did not wish to dismiss her claim against Lawrence Suemitsu Furukawa and Carol Mitsuko Furukawa and indicated she would proceed against these parties in the First Circuit Court in the State of Hawaii.

On October 20, 2005, NASD Dispute Resolution received a dismissal against Respondent Charles Schwab & Co., Inc. and a request for the Panel to dismiss Lawrence Suemitsu Furukawa and Carol Mitsuko Furukawa without prejudice.

On November 8, 2005, Claimant's counsel submitted a Stipulation for Dismissal of Respondent Lawrence Suemitsu Furukawa executed by such counsel and Respondent, which the Panel accepted as a Motion for the relief requested.

On November 10, 2005, the Panel held a telephonic pre-hearing conference attended by Claimant's Counsel, Ronald G.S. Au, Respondent Charles Schwab & Co., Inc.'s Counsel, Sean B. Meehan, and Respondent Lawrence Suemitsu Furukawa. During this conference, Counsel for Claimant and for Respondent Charles Schwab & Co., Inc. each affirmed their client's stipulation that the claim in this proceeding against said Respondent be dismissed with prejudice. Claimant's Counsel acknowledged that the Panel had no jurisdiction over Carol Mitsuko Furukawa. Respondent Lawrence Suemitsu Furukawa acknowledged the Stipulation signed by him and the meaning thereof.

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) The claim against Respondent Charles Schwab & Co., Inc. is dismissed with prejudice.
- 2) The claim against Respondent Lawrence Suemitsu Furukawa is dismissed without prejudice.
- 3) The claim against Carol Mitsuko Furukawa is dismissed for lack of jurisdiction.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) 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	= \$ 300.00
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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 Charles Schwab & Co., Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,750.00
Total Member Fees	= \$ 5,200.00

Forum Fees and Assessments

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

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$ 2,250.00
Pre-hearing conferences: April 4, 2005	1 session
November 10, 2005	1 session

Total Forum Fees	= \$ 2,250.00
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1. The Panel assessed \$1,687.50 of the forum fees to Claimant.
2. The Panel assessed \$562.50 of the forum fees jointly and severally to Respondents Charles Schwab & Co., Inc. and Lawrence Suemitsu Furukawa.

Fee Summary

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

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,687.50
Total Fees	= \$ 1,987.50
Less payments	= \$(1,425.00)
Balance Due NASD Dispute Resolution	= \$ 562.50

2. Respondent Charles Schwab & Co., Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Charles Schwab & Co., Inc. and Lawrence Suemitsu Furukawa are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 562.50
Balance Due NASD Dispute Resolution	= \$ 562.50

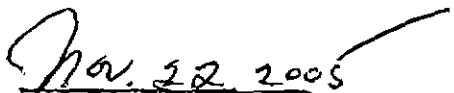
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

E. Laurence Gay	-	Public Arbitrator, Presiding Chair
Walter H. Ikeda	-	Public Arbitrator
John M. Miyamasu	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures:


E. Laurence Gay
Chair, Public Arbitrator


Signature Date

Walter H. Ikeda
Public Arbitrator

Signature Date


John M. Miyamasu
Non-Public Arbitrator

Signature Date

State of Hawaii ss:

City and County of Honolulu

On this 22nd day of November, 2005, before me personally appeared E. Laurence Gay to me known and known before me to be the individual described in and who executed the foregoing instrument and he/she duly acknowledged that he/she executed the same.


Notary Public, State of Hawaii
My commission expires: November 17, 2008



Nov. 30, 2005
Date of Service

ARBITRATION PANEL

E. Laurence Gay	-	Public Arbitrator, Presiding Chair
Walter H. Ikeda	-	Public Arbitrator
John M. Miyamasu	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

E. Laurence Gay
Chair, Public Arbitrator

Signature Date

Walter H. Ikeda
Walter H. Ikeda
Public Arbitrator

Nov 29, 2005
Signature Date

John M. Miyamasu
Non-Public Arbitrator

Signature Date

State of Hawaii ss:

City and County of Honolulu

On this 30th day of November, 2005, before me personally appeared Walter H. Ikeda to me known and known before me to be the individual described in and who executed the foregoing instrument and he/she duly acknowledged that he/she executed the same.

Sayo Anne Nakagawa
Notary Public, State of Hawaii
My commission expires 11-29-08

Nov. 30, 2005
Date of Service

ARBITRATION PANEL

E. Laurence Gay	-	Public Arbitrator, Presiding Chair
Walter H. Ikeda	-	Public Arbitrator
John M. Miyamasu	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

E. Laurence Gay
Chair, Public Arbitrator

Signature Date

Walter H. Ikeda
Public Arbitrator

Signature Date



John M. Miyamasu
Non-Public Arbitrator


11/21/05

Signature Date

State of Hawaii ss:

City and County of Honolulu

On this 21st day of November, 2005, before me personally appeared John M. Miyamasu to me known and known before me to be the individual described in and who executed the foregoing instrument and he/she duly acknowledged that he/she executed the same.



Elizabeth A. Geeser
Notary Public, State of Hawaii
My commission expires: 8/21/2009

NOV. 30, 2005

Date of Service