

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

GAL Corporation, Claimant v. Scottrade, Inc., Respondent

Case Number: 04-07802

Hearing Site: Los Angeles, California

Nature of the Dispute: Customer v. Member

REPRESENTATION OF PARTIES

For Claimant:

Ron A. Auren
GAL Corporation
Palm Springs, California

For Respondent:

Dena L. Narbaitz, Esq.
Curiale Dellaverson Hirschfeld & Kraemer
San Francisco, California

CASE INFORMATION

Statement of Claim filed: November 9, 2004

Claimant's Uniform Submission Agreement signed: November 9, 2004

Statement of Answer filed by Respondent: January 28, 2005

Respondent's Uniform Submission Agreement signed: March 8, 2005

CASE SUMMARY

Claimant alleged breach of fiduciary duty, misrepresentations, non-disclosures, omission of facts, unsuitability, error in charges, and negligence, involving unspecified options.

In its Answer, Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim, asserted the affirmative defense that Claimant failed to state a claim on which it can recover, and included a Motion to Dismiss.

RELIEF REQUESTED

Claimant requested \$100,000.00 in compensatory damages.

Respondent requested dismissal of the Claimant's Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

On February 14, 2005, Claimant 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 January 28, 2005, Respondent filed a Motion to Dismiss with its Answer. On April 12, 2005, Claimant filed a response to the Motion to Dismiss. On April 22, 2005, Respondent filed a Response to Claimant's Response to the Motion to Dismiss. On May 12, 2005, the Panel issued a ruling stating that "Respondent's Motion to Dismiss is granted only as to fraud in the account opening process and denied in all other respects."

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) Respondent is liable to and shall pay Claimant the sum of \$983.07 in compensatory damages.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) 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	= \$ 225.00
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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 Scottrade, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 1,700.00
Total Member Fees	= \$ 3,550.00

Forum Fees and Assessments

The Panel 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 Panel. The following fees are assessed:

2 Pre-hearing conference sessions with the Panel @ \$750.00/session	= \$ 1,500.00
Pre-hearing conferences:	
April 4, 2005	1 session
October 3, 2005	1 session

2 Hearing sessions @ \$750.00/session	= \$ 1,500.00
Hearing:	
October 5, 2005	2 sessions

Total Forum Fees	= \$ 3,000.00
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1. The Panel assessed \$1,500.00 of the forum fees to Claimant.
2. The Panel assessed \$1,500.00 of the forum fees to Respondent.

Fee Summary

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

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 1,725.00
Less payments	= \$(1,425.00)
Balance Due NASD Dispute Resolution	= \$ 300.00

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

Member Fees	= \$ 3,550.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 5,050.00
Less payments	= \$(5,200.00)
Refund Due Respondent	= \$(150.00)

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.

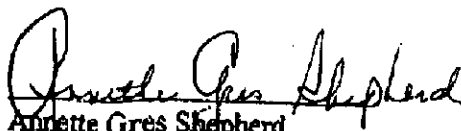
ARBITRATION PANEL

Rosa Linda Guadarrama	-	Public Arbitrator, Presiding Chair
Annette Gres Shepherd	-	Public Arbitrator
Joel D. Davidman	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Rosa Linda Guadarrama
Chair, Public Arbitrator

Signature Date


Annette Gres Shepherd
Public Arbitrator

10/7/05
Signature Date

Joel D. Davidman
Non-Public Arbitrator

Signature Date

October 10, 2005
Date of Service

ARBITRATION PANEL

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Annette Gres Shepherd	-	Public Arbitrator
Joel D. Davidman	-	Non-Public Arbitrator


Concurring Arbitrators' Signatures

Rosa Linda Guadarrama
Chair, Public Arbitrator

Signature Date

Annette Gres Shepherd
Public Arbitrator

Signature Date



Joel D. Davidman
Non-Public Arbitrator

10/6/05

Signature Date


October 10, 2005

Date of Service

ARBITRATION PANEL

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Concurring Arbitrators' Signatures



Rosa Linda Guadarrama
Chair, Public Arbitrator

10/6/05

Signature Date

Annette Gres Shepherd
Public Arbitrator

Signature Date

Joel D. Davidman
Non-Public Arbitrator

Signature Date

10/12/05

Date of Service