
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Rayza Karey

Case Number: 04-08481

Name of the Respondent
Scottrade, Inc.

Hearing Site: St. Louis, Missouri

Nature of the Dispute: Association Person vs. Member Firm

REPRESENTATION OF PARTIES

Rayza Karey ("Karey"), hereinafter referred to as "Claimant": G. Ware Cornell, Jr., of the law firm Cornell & Associates, P.A., located in Weston, Florida.

Scottrade, Inc. ("Scottrade"), hereinafter referred to as "Respondent": Russell Riggan, Esq. of the law firm Armstrong Teasdale, LLP, located in St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on or about December 16, 2004. Karey signed the Uniform Submission Agreement on December 23, 2004.

Statement of Answer filed by Scottrade on or about March 1, 2005. Scottrade signed the Uniform Submission Agreement on February 2, 2005.

CASE SUMMARY

Karey asserted the following causes of action: termination of employment due racial bias.

Unless specifically admitted in its Answer, Scottrade denied the allegations made in the Statement of Claim and asserted the following defenses:

1. Claimant's Demand fails to state a claim upon which relief may be granted.
2. Claimant's Demand fails to state a claim for which compensatory damages are available.
3. Claimant's demand is barred by the doctrines of res judicata, waiver, estoppel, laches and/or unclean hands.
4. Claimant's Demand fails to state a claim for which punitive damages are available, and Scottrade moves to strike Claimant's prayer for punitive damages.
5. Claimant's Demand is barred, in whole or in part, by Claimant's failure to mitigate his damages.

6. Claimant's Demand is barred because Scottrade had a legitimate, non-discriminatory reason for terminating Claimant's employment.

RELIEF REQUESTED

Claimant requested \$2,500,000.00 in compensatory damages and \$5,000,000.00 in punitive damages.

Respondent requested that the claims asserted against it be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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. Any and all claims asserted by Claimant, Rayza Karey, are denied.
2. Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees.
3. Any and all relief not specifically addressed herein, including punitive damages, is 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:

Initial claim filing fee	= \$ 600.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Scottrade, Inc. is a party to this proceeding.

Member surcharge	= \$ 3,350.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00

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:

One (1) Pre-hearing session with a single arbitrator @ \$1,200.00 = \$ 1,200.00
Pre-hearing conference: May 19, 2005 1 session

Six (6) Hearing sessions @ \$1,200.00 = \$ 7,200.00

Hearing Dates: November 9, 2005 2 sessions
November 10, 2005 3 sessions
November 11, 2005 1 session

Total Forum Fees = \$ 8,400.00

1. The Panel assessed 50% of the total forum fees in the amount of \$4,200.00 solely to Claimant, Rayza Karey.
2. The Panel assessed 50% of the total forum fees in the amount of \$4,200.00 solely to Respondent, Scottrade, Inc.

FEE SUMMARY

1. Claimant, Rayza Karey, is solely liable for:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	= \$ 4,200.00
Total Fees	= \$ 4,800.00
<u>Less payments</u>	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 3,000.00

2. Respondent, Scottrade, Inc., is solely liable for:

Member Fees	= \$ 9,600.00
<u>Forum Fees</u>	= \$ 4,200.00
Total Fees	= \$13,800.00
<u>Less payments</u>	= \$ 9,600.00
Balance Due NASD Dispute Resolution	= \$ 4,200.00

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

ARBITRATION PANEL

Leah M. Balk-Teitelbaum, Esq.	-	Public Arbitrator, Presiding Chairperson
R. Phillip Reed, Esq.	-	Public Arbitrator
Frederick Michael Switzer, III, JD	-	Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Leah M. Balk-Teitelbaum, Esq.
Leah M. Balk-Teitelbaum, Esq.
Public Arbitrator, Presiding Chairperson

11/15/05
Signature Date

/s/ R. Phillip Reed, Esq.
R. Phillip Reed, Esq.
Public Arbitrator

11/17/05
Signature Date

/s/ Frederick Michael Switzer, III, JD
Frederick Michael Switzer, III, JD
Non-Public Arbitrator

11/15/05
Signature Date

11/16/05
Date of Service (For NASD Dispute Resolution office use only)

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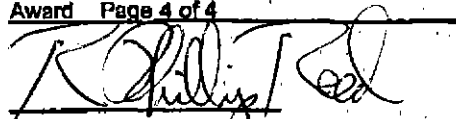

 Leah M. Balk-Teitelbaum, Esq.
 Public Arbitrator, Presiding Chairperson


 Signature Date

NASD Dispute Resolution

Arbitration No. 04-08481

Award Page 4 of 4



R. Phillip Reed, Esq.
Public Arbitrator

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