

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

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In the Matter of the Arbitration Between:

Charles Schwab & Co., Inc., Claimant v. Senping Chang, Respondent

Senping Chang, Counter-Claimant v. Charles Schwab & Co., Inc., Counter-Respondent

Case Number: 05-03683

Hearing Site: Los Angeles, California

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Nature of the Dispute: Member v. Customer  
Customer v. Member

**REPRESENTATION OF PARTIES**

For Claimant / Counter-Respondent  
(hereinafter "Claimant"):

Brandon K. Hemley, Esq.  
Charles Schwab & Co., Inc.  
San Francisco, California

For Respondent / Counter-Claimant  
(hereinafter "Respondent"):

Hubert Kul, Esq.  
Oswald & Yap  
Irvine, California

**CASE INFORMATION**

Statement of Claim filed: July 13, 2005

Claimant's Uniform Submission Agreement signed: July 25, 2005

Statement of Answer and Counterclaim filed by Respondent: October 4, 2005

Respondent's Uniform Submission Agreement signed: September 20, 2005

Reply to Counterclaim filed by Claimant: October 19, 2005

### **CASE SUMMARY**

Claimant alleged breach of contract involving Respondent's failure to pay a debit balance resulting from Claimant's margin call.

Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and filed a Counterclaim alleging breach of contract.

### **RELIEF REQUESTED**

Claimant requested \$90,473.55 in compensatory damages, interest at the rate of 7% per annum from May 1, 2005 until payment in full, and costs, including attorney's fees.

Respondent requested dismissal of Claimant's Statement of Claim in its entirety, \$77,726.45 in compensatory damages, interest according to law, and costs, including attorney's fees.

Claimant requested dismissal of Respondent's Counterclaim in its entirety and costs, including attorney's fees.

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

The parties' submitted the following stipulated award to the Panel: 1) Respondent is liable and shall pay to Claimant compensatory damages in the amount of \$90,473.55; 2) Respondent is liable and shall pay to Claimant interest on the unpaid principal balance at the rate of 7% from May 1, 2005, until paid in full; 3) Respondent is liable and shall reimburse Claimant for all arbitration costs assessed to Claimant; 4) Any and all relief not specifically addressed herein, including punitive damages, is denied; and, 5) The Counterclaim is dismissed in its entirety with prejudice.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

### **AWARD**

After considering the pleadings and the parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Senping Chang is liable to and shall pay Claimant Charles Schwab & Co., Inc. the sum of \$90,473.55 in compensatory damages.
- 2) Respondent Senping Chang is liable to and shall pay Claimant Charles Schwab & Co., Inc. simple interest at the rate of 7% per annum on \$90,473.55 from May 1, 2005 until the date of payment of this Stipulated Award in full.
- 3) Respondent Senping Chang is liable to and pay Claimant Charles Schwab & Co., Inc. \$1,000.00 as reimbursement of Claimant's filing fee.
- 4) Except as set forth in paragraph 3, the parties shall bear their respective costs, including attorney's fees.
- 5) Respondent Senping Chang's Counterclaim is dismissed with prejudice.
- 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	= \$1,000.00
Respondent's counterclaim filing fee	= \$ 225.00

#### **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 Charles Schwab & Co., 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
<b>Total Member Fees</b>	<b>= \$3,550.00</b>

**Forum Fees and Assessments**

The Panel assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-Hearing session @ \$750.00/session	= \$ 750.00
Pre-Hearing Conference: November 22, 2005 1 session	
<b>Total Forum Fees</b>	<b>= \$ 750.00</b>

In accordance with the parties' stipulated agreement, the Panel assessed the entire balance of the forum fees, in the amount of \$750.00, to Respondent Senping Chang.

**Fee Summary**

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

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,550.00
Total Fees	= \$ 4,550.00
Less payments	= \$(6,775.00)
<b>Refund Due from NASD Dispute Resolution</b>	<b>= \$(2,225.00)</b>
2. Respondent Senping Chang is charged with the following fees and costs:

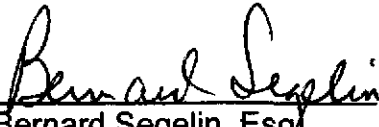
Counterclaim Filing Fee	= \$ 225.00
Forum Fees	= \$ 750.00
Total Fees	= \$ 975.00
Less payments	= \$ (975.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

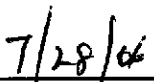
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Bernard Segelin, Esq.	-	Public Arbitrator, Presiding Chair
Robert B. Hansohn	-	Public Arbitrator
Robert Taylor	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
\_\_\_\_\_  
Bernard Segelin, Esq.  
Chair, Public Arbitrator

  
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Signature Date

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Robert B. Hansohn  
Public Arbitrator

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Signature Date

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Robert Taylor  
Non-Public Arbitrator

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Signature Date

  
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Date of Service

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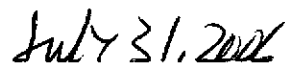
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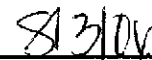
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Robert Taylor  
Non-Public Arbitrator

8/1/06  
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Signature Date

8/3/06  
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Date of Service