

**AWARD**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of Claimant

Leonard W. Ford

vs.

Case Number: 05-04407  
Hearing Site: Louisville, Kentucky

Name of Respondent

E\*Trade Securities, LLC

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**NATURE OF THE DISPUTE**

Customer vs. Member Firm

**REPRESENTATION OF PARTIES**

Leonard W. Ford ("**Claimant**") appeared pro se.

E\*Trade Securities, LLC ("**Respondent**") was represented by John Bersin, Esq., E\*Trade Securities, LLC, Rancho Cordova, California.

**CASE INFORMATION**

The Statement of Claim was filed on or about August 23, 2005. The Submission Agreement of Claimant, Leonard W. Ford, was signed on or about July 2, 2005.

The Statement of Answer was filed by Respondent, E\*Trade Securities, LLC, on or about October 20, 2005. The Submission Agreement of Respondent, E\*Trade Securities, LLC, was signed on or about October 20, 2005 by John Bersin, Esq., Associate General Counsel, E\*Trade Securities, LLC.

Claimant filed a Motion to Proceed and Waiver of Hearing on or about August 14, 2006. Respondent filed a Response on or about August 29, 2006.

Claimant filed a Motion for Leave to File a Reply on or about August 14, 2006. Respondent filed a Response on or about August 29, 2006.

Claimant filed a Motion to Strike a Portion of Respondent's Answer on or about August 14, 2006. Respondent filed a Response on or about August 29, 2006.

### **CASE SUMMARY**

Claimant asserted causes of action including the following: breach of contract, negligence and breach of fiduciary duty. The causes of action related to Claimant's allegation that Respondent froze his account and prevented him and/or his legal representative, through a power of attorney, to maintain his accounts after learning he was incarcerated.

Unless specifically admitted in its Answer, Respondent, E\*Trade Securities, LLC, denied the allegations made in the Statement of Claim. Respondent alleged that the account was opened in error and would not have been opened had it been aware that Claimant was incarcerated at the time the account was opened; and Respondent also alleged it had informed Claimant's legal representative of the right to liquidate Claimant's account, but neither Claimant nor his legal representative failed to do so, and as such, Claimant should be barred from recovery.

### **RELIEF REQUESTED**

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 2,023.00
Exemplary/Punitive Damages	\$ 30,345.00
Interest	Unspecified
Attorneys' Fees	Unspecified
Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

### **OTHER ISSUES CONSIDERED & DECIDED**

On or about September 9, 2006, the Chairperson granted Claimant's Motion to Proceed and Waiver of Hearing and Claimant's a Motion for Leave to File a Reply. In addition, the Chairperson denied Claimant's Motion to Strike a Portion of Respondent's Answer.

The parties have 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 and the evidence presented, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims, each and all, are hereby denied and dismissed with prejudice;
2. Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
3. Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution will collect the non-refundable filing fee for each claim:

Initial Claim filing fee	= \$ 175.00
(Fee Waived)	

#### **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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is E\*Trade Securities, LLC.

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,000.00

#### **Adjournment Fees**

Adjournments granted during these proceedings:

June 13, 2006, adjournment requested by Claimant	= \$ 450.00
(Fee Waived by the Arbitrator)	

#### **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:

June 13, 2006, postponement requested by Claimant	= \$ 100.00
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(Fee Waived by the Arbitrator)

**Forum Fees and Assessments**

The Arbitrator has assessed forum fees for each hearing 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, including a pre-hearing conference with the arbitrator that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$ 450.00 = \$ 450.00  
Pre-hearing conference: January 27, 2006 1 session

\* Award Issued on the Papers = \$ 300.00

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Total Forum Fees = \$ 750.00

The Arbitrator has assessed \$ 375.00 of the forum fees to Leonard W. Ford.

The Arbitrator has assessed \$ 375.00 of the forum fees to E\*Trade Securities, LLC.

\*The Arbitrator assessed a \$300 forum fee for a decision on the pleadings pursuant to Rules 10302 and 10332 of NASD Code of Arbitration Procedures.

**FEE SUMMARY**

Claimant, Leonard W. Ford, is liable for:

Forum Fees	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 375.00

Respondent, E\*Trade Securities, LLC, is liable for:

Member Fees	= \$ 2,625.00
Forum Fees	= \$ 375.00
Total Fees	= \$ 3,000.00
Less payments	= \$ 2,625.00
Balance Due NASD Dispute Resolution	= \$ 375.00

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

**ARBITRATOR**

Jan M. West, Esq. - Public Arbitrator, Presiding Chair

Arbitrator's Signature:

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Jan M. West, Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

10/12/06  
Date of Service (For NASD office use only)

**ARBITRATOR**

Jan M. West, Esq. - Public Arbitrator, Presiding Chair

Arbitrator's Signature:

Jan M. West

Jan M. West, Esq.

Public Arbitrator, Presiding Chair

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