

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Katherine L. Schrank

vs.

Case Number: 05-06115
Hearing Site: Milwaukee, Wisconsin

Names of Respondents

RBC Dain Rauscher, Inc. and
Michael L. Schrank

NATURE OF THE DISPUTE

Customer vs. Member and Associated Person

REPRESENTATION OF PARTIES

Katherine L. Schrank ("Claimant") was represented by David J. Hase, Esq., Cook & Franke S.C., Milwaukee, Wisconsin.

RBC Dain Rauscher, Inc. ("RBC") and Michael L. Schrank ("Schrank"), hereinafter collectively referred to as "Respondents," were represented by John W. Shaw, Esq., Berkowitz Oliver Williams Shaw & Eisenbrandt LLP, Kansas City, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about December 1, 2005. The Submission Agreement of Claimant was signed on or about November 30, 2005.

The Statement of Answer was filed jointly by Respondents on or about February 1, 2006. The Submission Agreement of Respondent RBC was signed on or about December 8, 2005. The Submission Agreement of Respondent Schrank was signed on or about January 20, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: common law fraud; common law negligence; and breach of fiduciary duty. The causes of action related to Claimant's allegations concerning Michael Schrank's recommendation that Claimant purchase allegedly highly speculative securities concentrated in the internet, telecommunications, and technology sectors of the market with little or no diversification. The securities at issue

included ING Internet Fund, ING Global Information Technology Fund, Red Hat, Inc., and Exodus Communications. Claimant asserted that Respondents' unsuitable recommendations were not reasonably calculated to achieve her investment objectives and exposed her retirement assets to an undue degree of risk.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a cause of action to establish direct or vicarious liability; Claimant failed to plead fraud with particularity; and Respondents acted in good faith at all times in discharging their duties, and exercised the care, diligence, and skill that prudent persons would exercise in similar circumstances and like positions.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 120,796.84
Exemplary/Punitive Damages	\$ 90,000.00
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be dismissed in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

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, the testimony, and the evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondents, RBC Dain Rauscher, Inc. and Michael L. Schrank, are jointly and severally liable for and shall pay to Claimant, Katherine L. Schrank, the sum of \$17,500.00 in compensatory damages;

- 2.) Respondents, RBC Dain Rauscher, Inc. and Michael L. Schrank, are jointly and severally liable for and shall pay to Claimant, Katherine L. Schrank, interest on the above-stated sum at the Wisconsin statutory rate, should payment be delayed beyond 30 days from the service date of this Award;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) 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 retain the non-refundable filing fee for each claim:

Initial Claim filing fee = \$ 300.00

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. In this matter, the member firm is RBC Dain Rauscher, Inc.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

Forum Fees and Assessments

The Panel 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 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 x \$450.00	= \$ 450.00
Pre-hearing conference: October 9, 2006 1 session	

One (1) Pre-hearing session with Panel x \$1,125.00	= \$ 1,125.00
Pre-hearing conference: April 3, 2006 1 session	

Six (6) Hearing sessions x \$1,125.00	= \$ 6,750.00
Hearing Dates: November 7, 2006 2 sessions	
November 8, 2006 2 sessions	
November 9, 2006 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 8,325.00

The Panel has assessed \$4,162.50 of the forum fees to Katherine L. Schrank.

The Panel has assessed \$4,162.50 of the forum fees jointly and severally to RBC Dain Rauscher, Inc. and Michael L. Schrank.

FEE SUMMARY

Claimant, Katherine L. Schrank, is liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 4,162.50
Total Fees	= \$ 4,462.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 3,037.50

Respondent, RBC Dain Rauscher, Inc., is liable for:

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

Respondents, RBC Dain Rauscher, Inc. and Michael L. Schrank, are jointly and severally liable for:

Forum Fees	= \$ 4,162.50
Total Fees	= \$ 4,162.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 4,162.50

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

ARBITRATION PANEL

Thomas F. Mahoney, Esq. - Public Arbitrator, Presiding Chair
Jerry D. McCormack, Esq. - Public Arbitrator
Donald V. Anderson - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Thomas F. Mahoney, Esq.
Thomas F. Mahoney, Esq.
Public Arbitrator, Presiding Chair

11/22/06
Signature Date

/s/ Jerry D. McCormack, Esq.
Jerry D. McCormack, Esq.
Public Arbitrator

11/24/06
Signature Date

/s/ Donald V. Anderson
Donald V. Anderson
Non-Public Arbitrator

11/24/06
Signature Date

11/27/06
Date of Service (For NASD office use only)

ARBITRATION PANEL

Thomas F. Mahoney, Esq. - Public Arbitrator, Presiding Chair
Jerry D. McCormack, Esq. - Public Arbitrator
Donald V. Anderson - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Thomas F. Mahoney
Thomas F. Mahoney, Esq.
Public Arbitrator, Presiding Chair

22 Nov 2006
Signature Date

Jerry D. McCormack, Esq.
Public Arbitrator

Signature Date

Donald V. Anderson
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Thomas F. Mahoney, Esq. - Public Arbitrator, Presiding Chair
Jerry D. McCormack, Esq. - Public Arbitrator
Donald V. Anderson - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Thomas F. Mahoney, Esq.
Public Arbitrator, Presiding Chair



Jerry D. McCormack, Esq.
Public Arbitrator

Signature Date

11/29/06

Signature Date

Donald V. Anderson
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Thomas F. Mahoney, Esq. - Public Arbitrator, Presiding Chair
Jerry D. McCormack, Esq. - Public Arbitrator
Donald V. Anderson - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Thomas F. Mahoney, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Jerry D. McCormack, Esq.
Public Arbitrator

Signature Date



Donald V. Anderson
Non-Public Arbitrator

11-24-06

Signature Date

Date of Service (For NASD office use only)