

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Scottstrade, Inc., Claimant v. Jeong Hoon Kang, Respondent

Case Number: 06-02513

Hearing Site: Los Angeles, California

Nature of the Dispute: Member v. Customer

REPRESENTATION OF PARTIES

For Claimant:

Thomas L. Azar, Esq.
Thompson Coburn, LLP
St. Louis, Missouri

For Respondent:

Jeong Hoon Kang
In Propria Persona
Irvine, California

CASE INFORMATION

Initial Statement of Claim filed: May 17, 2006

Amended Statement of Claim: January 31, 2007

Claimant's Uniform Submission Agreement signed: May 15, 2006

Initial Statement of Answer filed: July 15, 2006

Amended Statement of Answer filed: January 31, 2007

Respondent's Uniform Submission Agreement signed: July 14, 2006

CASE SUMMARY

Claimant's Initial and Amended Statements of Claim alleged breach of contract and money owed. Claimant's allegations concerned a check written against insufficient funds which created an alleged outstanding and unsecured margin loan balance in Respondent's account. Claimant's Initial Statement of Claim alleged that the check was written pursuant to a margin call. Claimant's Amended Statement of Claim alleged that the check was written to cover transactions in Amazon.Com, Inc. and Ebay, Inc.

Respondent's Initial and Amended Statements of Answer denied the allegations of wrongdoing set forth in Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant's Initial and Amended Statements of Claim requested \$31,921.61 in compensatory damages, pre-award interest of 10% per annum from December 11, 2004, and for such other and further relief to which Claimant is entitled.

Respondent's Initial and Amended Statements of Answer requested dismissal of Claimant's Statements of Claim in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On January 18, 2007, Claimant filed a Motion to Amend Statement of Claim pursuant to the NASD Code of Arbitration Procedure Rule 10328(b). Respondent filed an opposition to the motion on January 25, 2007. On January 31, 2007, during the hearing, the Arbitrator granted the motion.

On January 30, 2007, Claimant filed a motion to Amend its Witness List. During the hearing, the Arbitrator granted the motion.

The parties agreed that that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, testimony, and evidence presented at the hearing, the Arbitrator decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Jeong Hoon Kang is liable to and shall pay Claimant Scottstrade, Inc. the sum of \$31,921.61 in compensatory damages.
- 2) Respondent Jeong Hoon Kang is liable to and shall pay Claimant Scottstrade, Inc. interest in the amount of \$10,016.04.
- 3) Respondent Jeong Hoon Kang is liable to and shall pay Claimant Scottstrade, Inc. the sum of \$4,092.60 in costs.
- 4) Respondent Jeong Hoon Kang is liable to and shall pay Claimant Scottstrade, Inc. the sum of \$7,070.00 in attorney's fees, pursuant to contract of the parties.
- 5) With the exception of paragraphs 3 and 4, the parties shall bear their respective costs, including attorney's fees.
- 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
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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 Scottstrade, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 875.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$1,000.00
Total Member Fees	= \$2,625.00

Forum Fees and Assessments

The Arbitrator 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:

Two (2) Pre-hearing conference sessions with a single arbitrator @ \$450.00/session	= \$ 900.00
Pre-hearing conferences: October 25, 2006 1 session	
January 18, 2007 1 session	
One (1) Hearing session @ \$450.00/session	= \$ 450.00
Hearing: January 31, 2007 1 session	
Total Forum Fees	= \$1,350.00

The Arbitrator assessed the entire balance of the forum fees, in the amount of \$1,350.00, to Respondent Jeong Hoon Kang.

Fee Summary

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

Initial Filing Fee	= \$ 1,000.00
<u>Member Fees</u>	<u>= \$ 2,625.00</u>
Total Fees	= \$ 3,625.00
<u>Less payments</u>	<u>= \$(4,075.00)</u>
Refund due to Claimant	= \$ (450.00)

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

Forum Fees	= \$ 1,350.00
<u>Less payments</u>	<u>= \$ (0.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,350.00

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.

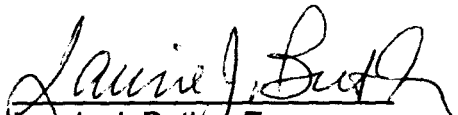
ARBITRATION PANEL

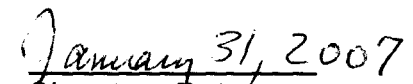
Laurie J. Butler, Esq.

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Public Arbitrator, Presiding Chair

Arbitrator's Signature


Laurie J. Butler, Esq.
Chair, Public Arbitrator


Signature Date


Date of Service