

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

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In the Matter of the Arbitration Between:

Kenneth H. South, Claimant v. Frank W. Hill and Helen M. Hill, Trustees of the Hill Family Trust; and Cathleen A. Hill, Respondents

Case Number: 06-02733

Hearing Site: Los Angeles, California

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Nature of the Dispute: Associated Person v. Customers

**REPRESENTATION OF PARTIES**

For Claimant:

Michele R. Fron, Esq.  
Scott E. Rahn, Esq.  
Keesal, Young & Logan  
Long Beach, California

For Respondents Frank W. Hill and Helen M. Hill,  
Trustees of the Hill Family Trust  
("Frank W. Hill" and "Helen M. Hill"):

Rhonda Ducote, Esq.  
Iwamoto, Kong & Co., Inc.  
Irvine, California

For Respondent Cathleen A. Hill:

Cathleen A. Hill  
In Propria Persona  
Newport Beach, California

**CASE INFORMATION**

Statement of Claim filed: June 5, 2006

Claimant's Uniform Submission Agreement signed: June 2, 2006

Respondents' Statement of Non-Opposition filed: August 24, 2006

Respondent Frank W. Hill's Uniform Submission Agreement signed:  
September 5, 2006 and October 23, 2006

Respondent Cathleen A. Hill's Uniform Submission Agreement signed:  
September 5, 2006

### **CASE SUMMARY**

Claimant sought expungement of NASD arbitration case number 91-03945, *Frank W. Hill and Helen M. Hill, Trustees of the Hill Family Trust, and Cathleen A. Hill v. Shearson Lehman Hutton, Inc., George C. Rach, Kenneth H. South, and Neil Younger*, from his registration records maintained by the NASD Central Registration Depository ("CRD"), on the grounds that Claimant was not Respondents' broker of record during the investment-related sales practice violations alleged in that arbitration.

Respondents filed a non-opposition to Claimant's Statement of Claim for Expungement Recommendation, affirming that Claimant was not their broker of record during the investment-related sales practice violations alleged in case number 91-03945. Respondents denied that they were liable to any party or non-party for any damages resulting from or associated with the foregoing.

### **RELIEF REQUESTED**

Claimant requested expungement of all reference to NASD arbitration case number 91-03945 from his registration records maintained by the CRD.

Respondents did not oppose Claimant's request for expungement.

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

Along with the Statement of Claim, Claimant provided a stipulation for expungement of Claimant's CRD record, signed by Claimant, Respondent Frank W. Hill as sole trustee of the Hill Family Trust, and Cathlene A. Hill.

Respondent Helen M. Hill is deceased and Frank W. Hill signed the Uniform Submission Agreement, Statement of Non-Opposition, and stipulation for expungement in the capacity of sole trustee of the Hill Family Trust.

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. Claimant was not Respondents' broker of record and was not involved in the investment-related sales practice violations alleged in NASD arbitration case number 91-03945.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Kenneth H. South's registration records maintained by the CRD, with the understanding that pursuant to NASD Notices to Members 04-16, Kenneth H. South must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the Arbitration Panel has made the following affirmative finding of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; or

3. Claimant shall be responsible for all NASD fees. The parties shall bear all other respective costs, including attorney's fees.
4. 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	= \$ 250.00
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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 which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Lehman Brothers Inc. employed Claimant at the time of the events giving rise to this dispute and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 750.00
<b>Total Member Fees</b>	<b>= \$ 2,250.00</b>

### **Fee Summary**

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

Initial Filing Fee	= \$ 250.00
Less payments	= \$(1,250.00)
<b>Refund Due Claimant</b>	<b>= \$(1,000.00)</b>

2. Lehman Brothers Inc. is charged with the following fees and costs:

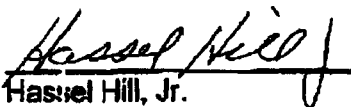
Member Fees	= \$ 2,250.00
Less payments	= \$(1,500.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 750.00</b>

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**

Hasriel Hill, Jr.	-	Public Arbitrator, Presiding Chair
Michael G. Clark	-	Public Arbitrator
Stephen Malcolm Squire	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
Hasriel Hill, Jr.  
Chair, Public Arbitrator

  
Signature Date

\_\_\_\_\_  
Michael G. Clark  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Stephen Malcolm Squire  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

  
Date of Service

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Michael G. Clark	-	Public Arbitrator
Stephen Malcolm Squire	-	Non-Public Arbitrator

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Hassel Hill, Jr.  
Chair, Public Arbitrator

\_\_\_\_\_  
Signature Date



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Michael G. Clark  
Public Arbitrator

11/30/06  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Stephen Malcolm Squire  
Non-Public Arbitrator

November 30, 2006  
\_\_\_\_\_  
Signature Date

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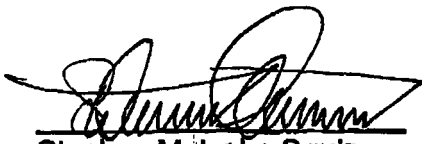
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Signature Date

  
\_\_\_\_\_  
Stephen Malcolm Squire  
Non-Public Arbitrator

11/29/06  
\_\_\_\_\_  
Signature Date

November 30, 2006  
\_\_\_\_\_  
Date of Service