

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Fei Xu. (Claimant) vs. Gold Country Securities, Inc., David Wong, and Hung Kwong Yu a/k/a Ken Yin Yu, (Respondents)

Case Number: 98-03891

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant Fei Xu, hereinafter referred to as "Claimant": Gena Lai, Raymond Chan, and Iram Valentin, Law Student Interns, Lincoln Square Legal Services?Inc., New York, NY. Claimant originally appeared *pro se*.

Respondents Gold Country Securities, Inc. ("Gold Country"), David Wong ("Wong"), and Hung Kwong Yu a/k/a Ken Yin Yu ("Yu"), hereinafter collectively referred to as "Respondents": Charles M. O'Rourke, Esq., Attorney at Law, Woodbury, NY.

CASE INFORMATION

Statement of Claim filed on or about: October 19, 1998.

Amended Statement of Claim filed on or about: November 10, 1999.

Second Amended Statement of Claim filed on or about: January 31, 2000.

Claimant signed the Uniform Submission Agreement: October 19, 1998.

Statement of Answer and Motion to Dismiss filed by Respondents on or about: March 31, 1999.

Response to Amended Statement of Claim filed by Respondents on or about: December 15, 1999.

Response to Second Amended Statement of Claim filed by Respondents on or about: February 16, 2000.

Gold Country did not sign the Uniform Submission Agreement.

Wong did not sign the Uniform Submission Agreement.

Yu did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: deceit; churning; unauthorized trading; unsuitability; fraudulent misrepresentations; failure to supervise; violations of the Securities Exchange Act of 1934; unlicensed trading; and violations of NASD Rules. Claimant's claim involved unspecified financial products.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Hung Kwong Yu and Ken Yin Yu are two different people; Ken Yin Yu was not employed by Gold Country; Claimant gave

Ken Yin Yu a trading authorization to handle his account; and all trades that Ken Yin Yu entered at Gold Country were unsolicited.

RELIEF REQUESTED

Claimant originally requested compensatory damages in the amount of \$50,000.00, plus interest and such other relief as the Arbitrator may deem just. In the Second Amended Statement of Claim, Claimant reduced his compensatory damage claim to \$15,000.00.

Respondents requested that all claims be dismissed in their entirety, and that all costs, including forum fees and reasonable attorney's fees, be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Gold Country, Wong, and Yu did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Arbitrator on all issues submitted.

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

1. Claimant's claims are hereby denied in their entirety
2. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 120.00

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, Gold Country Securities, Inc. is a party.

Member surcharge = \$ 800.00

Forum Fees and Assessments

The Arbitrator assesses forum fees for each hearing session conducted. A hearing 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:

Two (2) Pre-hearing sessions with a single arbitrator x \$300.00 = \$ 600.00

Pre-hearing conferences: August 10, 2000 1 session
November 1, 2000 1 session

Four (4) Hearing sessions x \$300.00 = \$1,200.00

Hearing Dates: November 8, 2000 2 sessions
November 27, 2000 2 sessions

Total Forum Fees = \$1,800.00

1. The Arbitrator has assessed \$900.00 of the forum fees against Claimant Fei Xu
2. The Arbitrator has assessed \$900.00 of the forum fees against Respondent Gold country.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party special services, including, but not limited to, additional copies of arbitration awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters and security.

1. On or about December 22, 2000 Claimant was assessed copying charges in the amount of \$35.00 (140 pages @ \$.25 per pages).

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 120.00
Administrative Costs	= \$ 35.00
Forum Fees	= \$ 900.00
Total Fees	= \$ 1055.00
Less payments	= \$ 520.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 535.00

2. Gold Country be and hereby is solely liable for:

Member Fees	= \$ 800.00
Forum Fees	= \$ 900.00

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Total Fees	= S 1700.00
<u>Less payments</u>	<u>= \$ 800.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 900.00

All balances are due and payable to NASD Dispute Resolution, Inc

Arbitrator's Signature

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Charles A. Crocco, Esq.
Public Arbitrator

January 24, 2001
Signature Date

January 24, 2001
Date of Service (For NASD office use only)