

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Richard Meyer, Claimant v. Waterhouse Securities, Inc., Andrew McDonald, and Kennedy, Cabot & Co. Inc. (now Calabasas Asset Holding Co. Inc.,) Respondents.

Case Number: 99-00217

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

Steve A. Buchwalter, Esq.
Law Offices of Steve A. Buchwalter
Encino, California

For Respondents:

Calabasas Asset Holding Co. Inc. and
Andrew McDonald:

George H. Kupper, Esq.
Calabasas Asset Holding Co. Inc.
Beverly Hills, California

CASE INFORMATION

Statement of Claim filed: January 14, 1999

Claimant's Uniform Submission Agreement signed: January 13, 1999

Statement of Answer filed by Respondent, Waterhouse Securities Inc. and Andrew McDonald
(Post-November 7, 1997 conduct only): April 14, 1999

Statement of Answer filed by Respondent, Calabasas Asset Holding Co. Inc., and Andrew
McDonald (Pre-November 7, 1997 conduct only): June 4, 1999

Respondent, Calabasas Holdings Co. Inc.'s Uniform Submission Agreement signed: June 1,
1999

CASE SUMMARY

Claimant alleged the following causes of action: fraud, deceit, misrepresentation, omission of material fact, negligence, failure to supervise, and breach of fiduciary duty.

Respondents, Waterhouse Securities Inc., Calabasas Asset Holding Co. Inc., and Andrew McDonald denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested a minimum of \$177,000.00 in compensatory damages, plus interest, punitive damages, costs and fees.

All Respondents requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On September 1, 1999, Respondent Waterhouse Securities, Inc. and Claimant Richard Meyer reached a settlement.

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 evidence presented at the hearing, and the post-hearing submissions if applicable, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims are denied in their entirety.
- 2) All references to Arbitration Case No. 99-00217 shall be expunged from Andrew McDonald's CRD record.
- 3) Each party shall bear its own costs, including attorney's fees.
- 4) All relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. has received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$200.00
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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 event of the dispute. Accordingly, the member firm (Waterhouse Securities Inc.) is a party and the following fees are assessed:

Member Surcharge	= \$1,500.00
Pre-Hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$2,500.00</u>
Total Member Fees	= \$4,600.00

Forum Fees and Assessments

The Arbitration Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

(1) Pre-hearing conference session with a single arbitrator @ \$ 300.00	= \$ 300.00
Pre-hearing conferences: August 20, 1999 1 session	
(1) Pre-hearing conference session with the Panel @ \$750.00	= \$ 750.00
Pre-hearing conferences: June 29, 1999 1 session	
(4) Hearing sessions @ \$750.00	= \$ 3,000.00
Hearings: September 14, 1999 2 sessions	
September 15, 1999 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 4,050.00

The Arbitration Panel has assessed all \$4,050.00 of the forum fees to Claimant Richard Meyer.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Waterhouse Securities: = \$19.00

Fee Summary

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

Initial Filing Fee	= \$ 200.00
<u>Forum Fees</u>	<u>= \$4,050.00</u>
Total Fees	= \$4,250.00
<u>Less payments</u>	<u>= \$ 950.00</u>
Balance Due NASD Regulation, Inc.	= \$3,300.00

2. Respondent, Waterhouse Securities Inc., is charged with the following fees and costs:

Member Fees	= \$4,600.00
<u>Administrative Costs</u>	<u>= \$ 19.00</u>
Total Fees	= \$4,619.00
<u>Less payments</u>	<u>= \$5,219.00</u>
Refund Due Waterhouse Securities, Inc.	= \$ (600.00)

All balances are payable to NASD Regulation, Inc. and are due within 30 days of the award's date of service.

Concurring Arbitrators' Signatures



Chair, Public Arbitrator
Paul Hegyesi, Esq.

9-15-99

Signature Date



Public Arbitrator
Mary L. Edison

9-15-99

Signature Date



Industry Arbitrator
Stephen F. Kempa

9-15-99

Signature Date

9/16/99

Date of Service