

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Chin-Lien Lai and Lee Huang, Claimants v. Bluestone Securities, Inc. and Martin Fang,
Respondents.

Case Number: 99-00415

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

Chin-Lien Lai and Lee Huang
In Pro Per
San Gabriel, California

For Respondent Bluestone Securities, Inc.:

Arthur Quintero
Bluestone Securities, Inc.
El Monte, California

For Martin Fang:

Did Not Appear

CASE INFORMATION

Statement of Claim received on: January 28, 1999

Claimants signed the Uniform Submission Agreement: January 25, 1999

Respondent Bluestone Securities, Inc.'s Joint Statement of Answer received on: March 31, 1999

Respondent Bluestone Securities, Inc.'s Uniform Submission Agreement signed: March 31,
1999

Respondent Martin Fang did not file a statement of answer or a uniform submission agreement.

CASE SUMMARY

Claimants asserted the following cause of action: unauthorized trading,

Respondent Bluestone Securities, Inc. admitted to liability for the unauthorized trading and only
contests the amount of damages.

RELIEF REQUESTED

Claimants requested \$180,000.00 in compensatory damages. Claimants also requested between \$20,000.00 and \$50,000.00 for loss of workdays, health damage, and emotional distress. Claimants further requested \$600,000.00 in punitive damages.

Respondent Bluestone Securities, Inc. requested the arbitration panel set the amount of damages which shall be paid to the Claimants.

OTHER ISSUES CONSIDERED AND 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 evidence presented at the hearing, the Arbitration Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents Bluestone Securities, Inc. and Martin Fang are jointly and severally liable to and shall pay Claimants the sum of \$81,575.62 in compensatory damages.
- 2) Respondents Bluestone Securities, Inc. and Martin Fang are jointly and severally liable to and shall pay Claimants the sum of \$37,336.00 for loss of workdays, health damage, and emotional distress.
- 3) Respondents Bluestone Securities, Inc. and Martin Fang are jointly and severally liable to and shall pay Claimants the sum of \$250.00 in reimbursement for filing this action.
- 4) Claimants' claim for punitive damages is denied.
- 5) Each party shall bear its own costs, including attorney's fees except where stated above.
- 6) All relief requested not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain the non-refundable filing fees for this claim:

Initial claim filing fee = \$250.00

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 Bluestone Securities, Inc.

Member Surcharge	= \$2,000.00
Pre-Hearing process fee	= \$600.00
Hearing process fee	= \$3,500.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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 the Panel x \$1,000.00	= \$1,000.00
Pre-hearing conference: June 23, 1999 (1 session)	

One (1) Hearing session x \$1,000.00	= \$1,000.00
Hearing Date: August 26, 1999 (2 sessions)	

Total Forum Fees	= \$2,000.00
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The Arbitration Panel has assessed \$2,000.00 of the forum fees jointly and severally to Bluestone Securities, Inc. and Martin Fang.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 250.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$ 250.00
<u>Less payments</u>	= \$1,250.00
Balance Due Claimants	= \$1,000.00

2. Respondent Bluestone Securities, Inc. is solely liable for:

Member Fees	= \$6,100.00
<u>Less payments</u>	= \$6,100.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

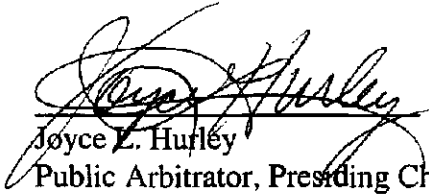
3. Respondents Bluestone Securities, Inc. and Martin Fang are jointly and severally liable for:

Forum Fees	= \$2,000.00
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Regulation, Inc.	= \$2,000.00

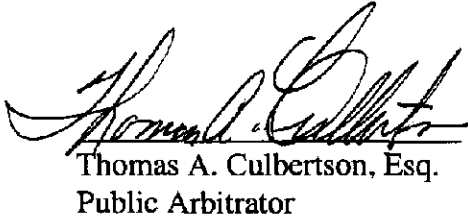
All balances are due to NASD Regulation, Inc. and are payable within 30 days of the service date of this Award.


NASD Regulation, Inc. shall refund Claimant's Hearing Session Deposit

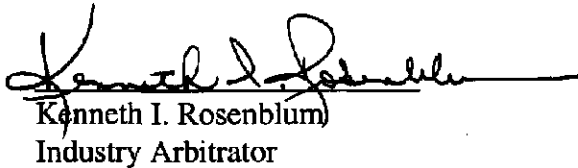
Concurring Arbitrators' Signature(s)

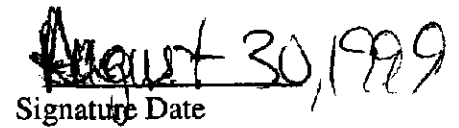

Joyce L. Hurley
Public Arbitrator, Presiding Chair


Signature Date


Thomas A. Culbertson, Esq.
Public Arbitrator


Signature Date


Kenneth I. Rosenblum
Industry Arbitrator


Signature Date

Date of Service (For NASD office use only)