

**Award**  
**NASD Regulation, Inc.**

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In the Matter of the Arbitration Between:

CCST Inc. Money Purchase Pension Plan; Charles I. Kornguth and Todd Kornguth TTEEs,  
Claimant v. Waterhouse Securities, Inc., Respondent.

Case Number: 99-00431

Hearing Site: Los Angeles, California

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**REPRESENTATION OF PARTIES**

For Claimant:

Robert B. Hutchinson, Esq.  
Hutchinson & Snider  
Beverly Hills, California

For Respondent:

Michael J. Abbott, Esq. and  
John L. Erikson, Jr., Esq.  
Jones, Bell, Abbott, Fleming  
& Fitzgerald, L.L.P.  
Los Angeles, California

**CASE INFORMATION**

Statement of Claim filed: January 21, 1999

Claimant's Uniform Submission Agreement signed: January 21, 1999

Statement of Answer filed by Respondent: April 30, 1999

Respondent's Uniform Submission Agreement signed: April 30, 1999

**CASE SUMMARY**

Claimant alleged the following causes of action: failure to timely execute an order to sell shares of the stock Onsale, Inc. and failure to execute an order to buy shares of the stock America Online, Inc.

Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

### **RELIEF REQUESTED**

Claimant requested: compensatory damages in the amount of \$116,000.00, interest, costs, and attorney's fees.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety, attorney's fees and costs.

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

- 1) Respondent is liable to and shall pay Claimant the sum of \$16,000.00 in compensatory damages.
- 2) Interest on the amount awarded shall be calculated at 10% per annum from the date the Statement of Claim was filed until paid.
- 3) Each party shall bear its own 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 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 Panel. The following fees are assessed:

(1) Pre-hearing conference sessions with the Panel @ \$750.00 = \$ 750.00

Pre-hearing conferences: August 24, 1999 1 session

(8) Hearing sessions @ \$750.00 = \$6,000.00

Hearings: February 7, 2000 2 sessions  
February 8, 2000 2 sessions  
February 9, 2000 2 sessions  
February 15, 2000 2 sessions

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Total Forum Fees = \$6,750.00

1. The Arbitration Panel has assessed \$ 3,375.00 of the forum fees to Claimant.
2. The Arbitration Panel has assessed \$ 3,375.00 of the forum fees to Respondent.

### **Administrative Costs**

Administrative costs are expenses incurred because a party requested additional services beyond the 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.

Respondent Waterhouse Securities, Inc. requested  
seventy-eight photocopies @ \$1.00/page: = \$78.00

Respondent Waterhouse Securities, Inc. requested  
copies of two audio transcripts @ \$15.00/tape: = \$30.00

**Fee Summary**

1. Claimant CCST Inc. Money Purchase Pension Plan; Charles I. Kornguth and Todd Kornguth TTEEs is charged with the following fees and costs:

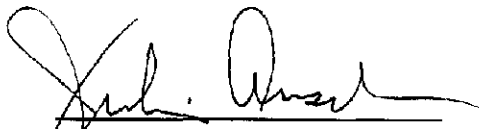
Initial Filing Fee	= \$ 200.00
<u>Forum Fees</u>	<u>= \$3,375.00</u>
Total Fees	= \$3,575.00
<u>Less payments</u>	<u>= \$ (950.00)</u>
Balance Due NASD Regulation, Inc.	= \$2,625.00

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

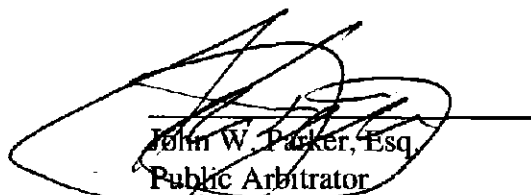
Member Fees	= \$ 4,600.00
Forum Fees	= \$ 3,375.00
<u>Administrative Costs</u>	<u>= \$ 108.00</u>
Total Fees	= \$ 8,083.00
<u>Less payments</u>	<u>= \$(5,200.00)</u>
Balance Due NASD Regulation, Inc.	= \$ 2,883.00

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

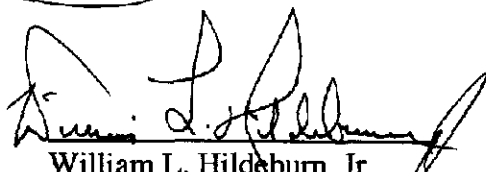
**Concurring Arbitrators' Signatures**

  
Julius Anscher  
Chair, Public Arbitrator

2/16/00  
Signature Date

  
John W. Parker, Esq.  
Public Arbitrator

2-19/00  
Signature Date

  
William L. Hildeburn, Jr.  
Non-Public Arbitrator

2/16/00  
Signature Date

2/16/00  
Date of Service