

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Nam Hoon Kang and Jung Sun Kang, Claimants v. Hanmi Securities, Inc., and Chan Kang,
Respondents

Case Number: 99-00733

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

Marc I. Zussman, Esq.
Law Offices of
Marc I. Zussman
Los Angeles, California

For Respondents Hanmi Securities, Inc., and Chan Kang:

Christopher J. Kondon, Esq.
Freshman, Marantz, Orlanski,
Cooper & Klein
Beverly Hills, California

CASE INFORMATION

Statement of Claim filed: February 17, 1999

Claimant Nam Hoon Kang's Uniform Submission Agreement signed: February 11, 1999

Joint Statement of Answer filed by Respondents: June 23, 1999

Respondent Hanmi Securities, Inc.'s Uniform Submission Agreement signed: June 30, 1999

Respondent Chan Kang's Uniform Submission Agreement signed: June 24, 1999

CASE SUMMARY

Claimants alleged breach of fiduciary duty, fraud, negligent misrepresentation, lack of supervision and control, violation of NASD Rules of Fair Practice, NYSE Rules, federal securities laws and state securities laws. The allegations were based on trading various stocks and options of companies including Helionetics, Inc. and "The Korea Fund" mutual fund.

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

RELIEF REQUESTED

Claimants requested \$25,000.00 in compensatory damages, lost profits, disgorgement of commissions and fees, interest, costs, attorney's fees, lost opportunity costs, and punitive damages.

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

OTHER ISSUES CONSIDERED AND DECIDED

On March 31, 2000, the Arbitrator ordered Hanmi Securities, Inc. to pay \$1,500.00 in monetary sanctions to Claimants' counsel, Marc I. Zussman, Esq. for failure to comply with a prior discovery order.

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, 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) Respondents Hanmi Securities, Inc., and Chan Kang are jointly and severally liable to and shall pay Claimants the sum of \$25,000.00 in compensatory damages.
- 2) Claimants' claim for punitive damages is denied.
- 3) Each party shall bear its own costs and attorney's fees.
- 4) All other relief 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 = \$ 75.00

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 Hanmi Securities, Inc. is a party and the following fees are assessed:

Member Surcharge = \$ 400.00

Forum Fees and Assessments

The 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:

(3) Pre-hearing conference sessions with a single arbitrator @ \$ 300.00/session = \$ 900.00

Pre-hearing conferences:	December 9, 1999	1 session
	December 28, 1999	1 session
	March 31, 2000	1 session

(2) Hearing sessions @ \$300.00/session = \$ 600.00

Hearings:	May 16, 2000	2 sessions
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Total Forum Fees = \$1,500.00

The Arbitrator has assessed \$1,500.00 of the forum fees jointly and severally to Hanmi Securities, Inc., and Chan Kang.

Fee Summary

1. Claimants Nam Hoon Kang and Jung Sun Kang are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 75.00
<u>Less payments</u>	<u>= \$(500.00)</u>
Refund Due Claimants	= \$(425.00)

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

Member Fees	= \$ 400.00
<u>Less payments</u>	<u>= \$(400.00)</u>
Balance Due NASD Regulation, Inc.	= \$ 0.00

3. Respondents, Hanmi Securities, Inc., and Chan Kang, are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	<u>= \$ 1,500.00</u>
Balance Due NASD Regulation, Inc.	= \$ 1,500.00

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

Arbitrator's Signature



Albert N. Greenfield, Esq.
Chair, Public Arbitrator

5-23-2000
Signature Date

May 23, 2000
Date of Service