

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Jay Kiessling and Sharon Kiessling (Claimants) vs. E*Trade Securities, Inc.
(Respondent)

Case Number: 99-00839

Hearing Site: Chicago, Illinois

REPRESENTATION OF PARTIES

Jay Kiessling and Sharon Kiessling, ("Kiessling"), hereinafter collectively referred to as "Claimants": James J. Eccleston, Esq., Eccleston & Associates, Chicago, Illinois.

Respondent E*Trade Securities, Inc. ("E*Trade"): Bob McGahan, Esq., Bird, Marella, Boxer & Wolpert, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed on or about: February 25, 1999

Claimant, Kiessling, signed the Uniform Submission Agreement: February 16, 1999

Statement of Answer filed by Respondent E*Trade on or about: May 04, 1999

Respondent E*Trade signed the Uniform Submission Agreement: April 07, 1999

CASE SUMMARY

Claimants asserted the following causes of action: Misrepresentation; Violation of Section 10(b) and Rule 10b-5; violation of the Illinois Securities Act of 1953; fraud; violation of the Illinois Consumer Fraud Act; breach of fiduciary duty; breach of written contract; and negligence. The causes of action relate to the order execution of the globe.com stock, (TGLO).

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Proper Execution of Claimants' Market Order, Claimant Liability for Purchase Even Though it Exceeded their Buying Power, Ratification, and Failure to Mitigate.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$295,000.00
Punitive Damages	\$200,000.00
Interest	\$unspecified
Attorneys' Fees	\$unspecified
Other Costs	\$unspecified
Other Monetary/Non-Monetary Relief if any:	such other and further relief as is just

Respondent E*Trade requested:

Other costs	\$unspecified
Other Monetary/Non-Monetary Relief if any:	Dismissal of Claim

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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent E*Trade Securities, Inc. shall be and hereby is solely liable to Jay Kiessling and Sharon Kiessling in the amount of \$203,333.15 in compensatory damages.
2. Each side shall bear its own costs.
3. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$200.00
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Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firms is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00
Total	= \$4,600.00

Adjournment Fees

Adjournments requested during these proceedings:

February 22, 2000 - February 25, 2000 adjournment by Claimants = \$ 750.00

Forum Fees and Assessments

The 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 a single arbitrator x \$300.00 = \$ 300.00
Pre-hearing conference: May 04, 2000 1 session

One (1) Pre-hearing session with Panel x \$750.00 = \$ 750.00
Pre-hearing conference: August 17, 1999 1 session

Ten (10) Hearing sessions x \$750.00 = \$7,500.00
Hearing Dates: June 06, 2000 2 sessions
June 07, 2000 2 sessions
June 08, 2000 2 sessions
September 25, 2000 2 sessions
September 26, 2000 2 sessions

Total Forum Fees = \$8,550.00

1. The Panel has assessed \$4,275.00 of the forum fees to Claimants, joint and several
2. The Panel has assessed \$4,275.00 of the forum fees to Respondent.

Fee Summary

1. Claimant Kiessling be and hereby is solely liable for:

Initial Filing Fee	= \$ 200.00
Adjournment Fee	= \$ 750.00
<u>Forum Fees</u>	<u>= \$4,275.00</u>
Total Fees	= \$5,225.00
<u>Less payments</u>	<u>= \$ 950.00</u>
Balance Due NASD Regulation, Inc.	= \$4,275.00

2. Respondent E*Trade be and hereby is solely liable for:

Member Fees	= \$4,600.00
<u>Forum Fees</u>	<u>= \$4,275.00</u>
Total Fees	= \$8,875.00
<u>Less payments</u>	<u>= \$2,100.00</u>
Balance Due NASD Regulation, Inc.	= \$6,775.00

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

/s/ John T. Kelly

10/09/00

John T. Kelly, Esq.
Public Arbitrator

Signature Date

/s/ Ramona V. Larson

10/09/00

Ramona V. Larson
Industry Arbitrator

Signature Date

Dissenting Arbitrator's Signature

/s/ Lee H. Goodman

10/10/00

Lee H. Goodman
Public Arbitrator, Presiding Chair

Signature Date

10/17/00

Date of Service (For NASD office use only)

10/09/00 MON 13:37 FAX

NASD REGULATION

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NASD Dispute Resolution, Inc.

Arbitration No. 90-00839

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John T. Kelly, Esq.
Public Arbitrator

10/9/00
Signature Date

Ramona V. Larson
Industry Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Lee H. Goodman
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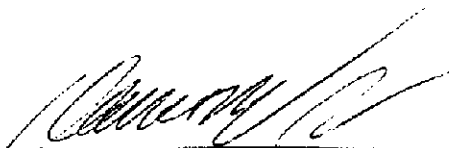
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Public Arbitrator, Presiding Chair

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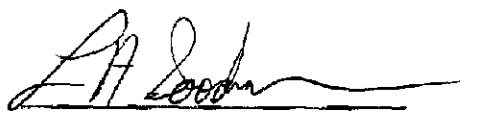
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Public Arbitrator, Presiding Chair

10-10-2000

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