

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

David C. Kauffman, Claimant v. E*Trade Securities, Inc. and Peter M. Szydlowski,
Respondents.

Case Number: 99-01470

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

David C. Kauffman
In Pro Per
Sherman Oaks, California

For Respondents:

John M. McCoy, III, Esq.
Bird, Marella, Boxer &
Wolpert
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: March 26, 1999

Claimant's Uniform Submission Agreement signed: January 27, 1999

Joint Statement of Answer filed by Respondents E*Trade Securities, Inc. and Peter M.
Szydlowski: July 6, 1999

Respondent E*Trade Securities, Inc.'s Uniform Submission Agreement signed: June 23, 1999

CASE SUMMARY

Claimant alleged fraud, negligent misrepresentation, breach of fiduciary duty, breach of implied covenant of good faith and fair dealing, and failure to supervise.

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

RELIEF REQUESTED

Claimant requested \$139,789.85 in compensatory damages, and sought punitive damages, interest, and reimbursement for costs of arbitration. Additionally, Claimant requested an unspecified amount in loss of earnings.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, and reimbursement for attorney's fees and costs of arbitration.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Peter M. Szydlowski did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed Uniform Submission Agreement to arbitrate. In accordance with membership rules of NASD, Respondent Peter M. Szydlowski is nonetheless required to submit to arbitration of the matter.

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. All claims are denied in their entirety.
2. The parties shall bear their respective cost, including attorney's fees.
3. All relief requested and not granted is expressly denied.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Peter M. Szydlowski's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Peter M. Szydlowski must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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	= \$ 300.00
--------------------------	-------------

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 E*Trade 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

Adjournment Fees

The following adjournment fees are assessed:

March 2, 2000 adjournment requested by E*Trade Securities, Inc.	= \$ 1,125.00
---	---------------

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:

One Pre-hearing conference session with a single arbitrator @ \$ 450.00	= \$ 450.00
Pre-hearing conference: April 26, 2000 1 session	
One Pre-hearing conference session with the Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: December 6, 1999 1 session	
Three Hearing sessions @ \$1,125.00	= \$ 3,375.00
Hearings: March 1, 2000 1 session	
April 27, 2000 2 sessions	
Total Forum Fees	= \$ 4,950.00

1. The Arbitration Panel has assessed \$ 1,912.50 of the forum fees to Claimant David C. Kauffman.
2. The Arbitration Panel has assessed \$ 3,037.50 of the forum fees to Respondent E*Trade Securities, Inc.

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.

E*Trade requested photocopies: = \$ 15.00

Fee Summary

1. Claimant David C. Kauffman is charged with the following fees and costs:


Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,912.50
Total Fees	= \$ 2,212.50
Less payments	= \$ (1,425.00)
Balance Due NASD Regulation, Inc.	= \$ 787.50

2. Respondent E*Trade is charged with the following fees and costs:

Postponement Fee	= \$ 1,125.00
Forum Fees	= \$ 3,037.50
Member Fees	= \$ 4,600.00
Administrative Costs	= \$ 15.00
Total Fees	= \$ 8,777.50
Less payments	= \$ (4,600.00)
Balance Due NASD Regulation, Inc.	= \$ 4,177.50

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

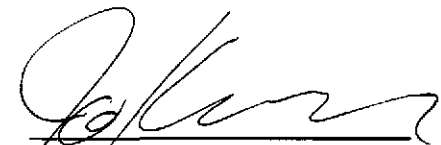
Concurring Arbitrators' Signatures



Jack A. Weichman, Esq.
Chair, Public Arbitrator

4/27/00

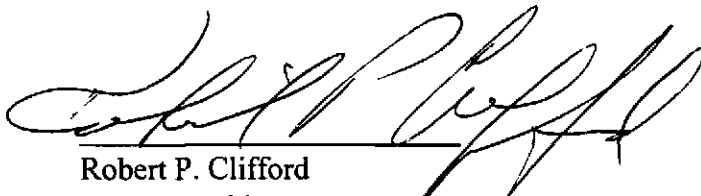
Signature Date



Jeffrey L. Gaffney, Esq.
Public Arbitrator

27 APR 00

Signature Date



Robert P. Clifford
Industry Arbitrator

4-27-00

Signature Date

4/27/00

Date of Service