

Award
NASD Dispute Resolution, Inc.

In the Matter of the Consolidated Case entitled "Becker Consolidated Cases"

Consolidated Case Number 99-01705:

Robert Stanley Becker and Soon Fa Wu, Claimants v. Go Trading, Inc., Service Asset Management Co. d/b/a Penson Financial, Adnan A. Mirza, Lori Sue Piken, Grace F. Schroeder, Steven A. Owsley, Adtech Financial Corporation, Steven Kane, and Jane Watkins, Respondents

Hearing Site: Los Angeles, California

Robert Stanley Becker, Claimant v. Go Trading, Inc., Service Asset Management Co. d/b/a Penson Financial, Adnan A. Mirza, Lori Sue Piken, Grace F. Schroeder, Steven A. Owsley, Adtech Financial Corporation, Steven Kane, and Jane Watkins, Respondents

Case Number: 99-01705

Soon Fa Wu, Claimant v. Go Trading, Inc., Service Asset Management Co. d/b/a Penson Financial, Adnan A. Mirza, Lori Sue Piken, Grace F. Schroeder, Steven A. Owsley, Adtech Financial Corporation, Steven Kane, and Jane Watkins, Respondents

Case Number: 99-02413

REPRESENTATION OF PARTIES

For Claimants:

Marcus A. Luna, Esq.
Luna & Vining, APC
Tarzana, California

For Respondent Go Trading, Inc.:

Steven A. Owsley
Go Trading, Inc.
Los Angeles, California

For Respondent Service Asset Management Company
d/b/a Penson Financial (hereinafter referred to as
Service Asset Management Company:

W. David Simmons, Esq.
McGuire, Craddock, Strother
& Hale, P.C.
Dallas, Texas

For Respondent Adnan A. Mirza:

Adnan A. Mirza
In Pro Per
Harbor City, California

For Respondent Lori Sue Piken:

Matthey D. Anhut, Esq.
Bryan Cave, L.L.P.
Santa Monica, California

For Respondent Grace F. Schroeder:

Grace F. Schroeder
In Pro Per
Chicago, Illinois

For Respondent Steven A. Owsley:

Steven A. Owsley
In Pro Per
Los Angeles, California

For Respondent Adtech Financial Corporation:

Adnan A. Mirza
Adtech Financial Corporation
Gardena, California

For Respondent Steven Kane:

Steven Kane
In Pro Per
Redondo Beach

For Respondent Jane Watkins:

Melinda G. Jayson
Melinda G. Jayson, P.C.
Dallas, Texas

CASE INFORMATION

Becker v. Go Trading, Inc., et al 99-01705

Statement of Claim filed by Claimant Robert Becker: April 13, 1999

Claimant Robert Becker's Uniform Submission Agreement signed: April 1, 1999

Statement of Answer filed by Respondent Service Asset Management Company: July 23, 1999

Cross-Claim filed by Respondent Service Asset Management Company: July 23, 1999

Respondent Service Asset Management Company's Uniform Submission Agreement signed:
July 23, 1999

Statement of Answer filed by Respondent Steven Kane: September 2, 1999

Statement of Answer filed by Respondent Grace Schroeder: October 12, 1999

Statement of Answer filed by Respondent Steven A. Owsley: December 14, 1999

Respondent Steven A. Owsley's Uniform Submission Agreement signed: December 13, 1999

Wu v. Go Trading, Inc., et al 99-02413

Statement of Claim filed by Claimant Soon Fa Wu: May 2, 1999

Claimant Soon Fa Wu's Uniform Submission Agreement signed: April 5, 1999

Statement of Answer filed by Respondent Service Asset Management Company: October 20, 1999

Cross-Claim filed by Respondent Service Asset Management Company: July 23, 1999

Respondent Service Asset Management Company's Uniform Submission Agreement signed: July 23, 1999

Respondent Steven Kane's Uniform Submission Agreement signed: December 13, 1999

Statement of Answer filed by Respondent Grace Schroeder: August 18, 1999

Statement of Answer filed by Respondent Steven A. Owsley: December 15, 1999

Respondent Steven A. Owsley's Uniform Submission Agreement signed: December 13, 1999

CASE SUMMARY

Claimants, in their individual Statements of Claim, alleged breach of contract, negligence, breach of fiduciary duty, failure to supervise, fraud, conversion, unauthorized trading and violation of NASD rules. Claimant Robert Stanley Becker's allegations arose from the issue of purchase of a United States Treasury Bill. Claimant Soon Fa Wu's allegations arose from participation in a "margin pool."

Respondents, in their individual Statements of Answer, denied the allegations of wrongdoing set forth in the Claimants' Statements of Claim.

RELIEF REQUESTED

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Claimant Robert Becker requested \$181,000.00 in compensatory damages and \$4,750,000.00 in **punitive damages. Claimant Robert Becker also sought unspecified interest, costs, and attorney's fees.**

Respondent Service Asset Management Company requested dismissal of the Claimant's Statement of Claim in its entirety. In its Cross-Claim against Cross-Respondents Adnan Mirza, Lori Sue Piken, Steven Kane, and Adtech Financial Corporation, Cross-Claimant Service Asset Management Company sought indemnification of any liability found as to Claimant Robert Stanley Becker.

Respondent Steven Kane requested dismissal of the Claimant's Statement of Claim, in its entirety.

Respondent Grace F. Schroeder requested dismissal of the Claimant's Statement of Claim, in its entirety, and a directive from the Panel authorizing expungement of the registration records maintained by the NASD Central Registration Depository ("CRD").

Respondent Steven A. Owsley requested dismissal of the Claimant's Statement of Claim, in its entirety.

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Claimant Soon Fa Wu requested \$239,000.00 in compensatory damages and \$4,700,000.00 in punitive damages. Claimant Robert Becker also sought unspecified interest, costs, and attorney's fees.

Respondent Service Asset Management Company requested dismissal of the Claimant's Statement of Claim in its entirety. In its Cross-Claim against Cross-Respondents Adnan Mirza, Lori Sue Piken, Steven Kane, and Adtech Financial Corporation, Cross-Claimant Service Asset Management Company sought indemnification of any liability found as to Claimant Soon Fa Wu.

Respondent Grace F. Schroeder requested dismissal of the Claimant's Statement of Claim, in its entirety, and a directive from the Panel authorizing expungement of the registration records maintained by the NASD Central Registration Depository ("CRD").

Respondent Steven A. Owsley requested dismissal of the Claimant's Statement of Claim, in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On May 8, 2000, the Panel granted Respondents' Motion to Consolidate. Case 99-01705 Becker v. Go Trading, Inc., et al was consolidated with Case 99-02413, Soon Fa Wu v. Go Trading, Inc., et al.

On May 25, 2000 NASD Dispute Resolution, Inc. received notice that the Panel dismissed Respondents Jane Watkins and Lori Sue Piken, for lack of jurisdiction.

On July 11, 2000 NASD Dispute Resolution, Inc. received notice that the Panel dismissed Respondent Steven Kane, for lack of jurisdiction.

On May 1, 2001 NASD Dispute Resolution, Inc. received notice that Respondents Grace F. Schroeder and Steven A. Owsley were dismissed by the Panel, with prejudice.

Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned Panel determined that Respondent Adnan Mirza was properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

For case 99-01705, Respondents Go Trading, Inc., Adnan A. Mirza, Lori Sue Piken, Grace F. Schroeder, Adtech Financial Corporation, Steven Kane, and Jane Watkins did not file with NASD Dispute Resolution, Inc. properly executed submission agreements but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

For case 99-02413, Respondents Go Trading, Inc., Adtech Financial Corp., Adnan Mirza, Jane Watkins, Lori Sue Piken, and Grace Schroeder did not file with NASD Dispute Resolution, Inc. properly executed submission agreements but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

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

- 1) Respondents Go Trading, Inc. and Adnan A. Mirza are jointly and severally liable to and shall pay Claimant Robert Stanley Becker \$96,297.85 in compensatory damages.
- 2) Respondents Go Trading, Inc. and Adnan A. Mirza are jointly and severally liable to and shall pay Claimant Robert Stanley Becker \$100,000.00 in punitive damages.
- 3) Respondents Go Trading, Inc. and Adnan A. Mirza are jointly and severally liable to and shall pay Claimant Soon Fa Wu \$213,061.00 in compensatory damages.
- 4) Respondents Go Trading, Inc. and Adnan A. Mirza are jointly and severally liable to and shall pay Claimant Soon Fa Wu \$200,000.00 in punitive damages.
- 5) Respondent Service Asset Management Company's Cross-Claims are denied in their entirety.
- 6) Each party shall bear its own costs, including attorney's fees.
- 7) All other relief not expressly granted is denied.

FEES

Becker v. Go Trading, Inc., et al 99-01705

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 600.00
Respondent Service Asset Management Company's Cross-claim filing fee	= \$2, 000.00

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 events which gave rise to the dispute, claim, or controversy. Accordingly, the member firms Service Asset Management Company and Go Trading, Inc. are parties and the following fees are assessed to each:

Member Surcharge	= \$ 2,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	= \$ 5,000.00
Total Member Fees	= \$ 8,100.00

Adjournment Fees

The following adjournment fees are assessed:

August 21-August 25, 2000, adjournment requested by Claimants = \$ 1,200.00

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 Panel.

The following fees are assessed:

8 Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$ 9,600.00

Pre-hearing conferences:

February 7, 2000	1 session
March 30, 2000	1 session
May 25, 2000	1 session
June 12, 2000	1 session
July 10, 2000	1 session
August 18, 2000	1 session
November 21, 2000	1 session
February 12, 2001	1 session

6 Hearing sessions @ \$1,200.00/session = \$ 7,200.00

Hearings:

April 30, 2001	2 sessions
May 1, 2001	2 sessions
May 2, 2001	2 sessions

Total Forum Fees = \$ 16,800.00

1. The Panel assessed \$ 8,400.00 of the forum fees jointly and severally to Robert Stanley Becker and Soon Fa Wu.
2. The Panel assessed \$ 8,400.00 of the forum fees jointly and severally to Respondents Go Trading, Inc., Service Asset Management Company, Adnan A. Mirza, Grace F. Schroeder, and Steven A. Owsley.

Wu v. Go Trading, Inc., et al 99-02413

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 600.00
Respondent Service Asset Management Company's	
Cross-claim filing fee	= \$2, 000.00

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 events which gave rise to the dispute, claim, or controversy. Accordingly, the member firms Service Asset Management Company and Go Trading, Inc. are parties and the following fees are assessed to each:

Member Surcharge	= \$ 2,500.00
Pre-Hearing Process Fee	= \$ 600.00
Total Member Fees	= \$ 3,100.00

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 Panel. The following fees are assessed:

1 Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference: January 21, 2000 1 session	
Total Forum Fees	= \$ 1,200.00

1. The Panel assessed \$ 600.00 of the forum fees to Claimant Soon Fa Wu.
2. The Panel assessed \$ 600.00 of the forum fees jointly and severally to Respondents Go Trading, Inc., Service Asset Management Company, Adnan A. Mirza, Grace F. Schroeder, and Steven A. Owsley.

Fee Summary

Becker v. Go Trading, Inc., et al 99-01705

1. Claimant Robert Stanley Becker is charged with the following fees and costs:

Initial Filing Fee	= \$ 600.00
<u>Less Payments</u>	<u>= \$(600.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

2. Claimants Robert Stanley Becker and Soon Fa Wu are charged jointly and severally with the following fees and costs:

Adjournment Fees	= \$ 1,200.00
Forum Fees	= \$ 8,400.00
Total Fees	= \$ 9,600.00
Less Payments by Claimant Robert Stanley Becker	= \$(2,400.00)
Less Payments by Claimant Soon Fa Wu (Transfer from 99-02413)	= \$(600.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,600.00

3. Respondent Service Asset Management Company is charged with the following fees and costs:

Cross-claim Filing Fee	= \$ 2,000.00
Member Fees	= \$ 8,100.00
Total Fees	= \$10,100.00
<u>Less Payments</u>	<u>= \$ (9,300.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 800.00

4. Respondent Go Trading, Inc. is charged with the following fees and costs:

Member Fees	= \$ 8,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 8,100.00

5. Respondents Go Trading, Inc., Service Asset Management Company, Adnan A. Mirza, Grace F. Schroeder, and Steven A. Owsley are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 8,400.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 8,400.00

Wu v. Go Trading, Inc., et al 99-02413

1. Claimant Soon Fa Wu is charged with the following fees and costs:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 600.00</u>
<u>Total Fees</u>	<u>= \$ 1,200.00</u>
<u>Less Payments</u>	<u>= \$ (1,200.00)</u>
Credit Balance Transfer to Master Case 99-01705	= \$ (600.00)

2. Respondent Service Asset Management Company is charged with the following fees and costs:

Cross-claim Filing Fee	= \$ 2,000.00
<u>Member Fees</u>	<u>= \$ 3,100.00</u>
<u>Total Fees</u>	<u>= \$ 5,100.00</u>
<u>Less Payments</u>	<u>= \$(4,600.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 500.00

3. Respondent Go Trading, Inc. is charged with the following fees and costs:

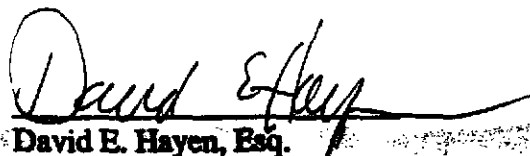
<u>Member Fees</u>	<u>= \$ 3,100.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,100.00

4. Respondents Go Trading, Inc., Service Asset Management Company, Adnan A. Mirza, Grace F. Schroeder, and Steven A. Owsley are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	<u>= \$ 600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 600.00

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon the receipt of the award pursuant to Rule 10330(g) of the Code.

Concurring Arbitrators' Signatures



David E. Hayen, Esq.
Chair, Public Arbitrator

5/15/01

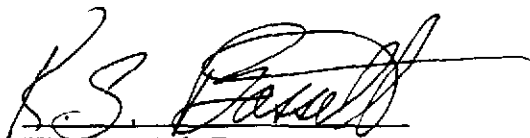
Signature Date



Erik R. Siering
Public Arbitrator

5/15/01

Signature Date



Kimbrough S. Bassett
Non-Public Arbitrator

5/15/2001

Signature Date

6/5/2001

Date of Service