

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

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In the Matter of the Arbitration Between:

Robert K. Masters, Claimant v. Cruttenden Roth, Inc., and Lawrence H. Butler, Jr., Respondents

Case Number: 99-02374

Hearing Site: Los Angeles, California

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**REPRESENTATION OF PARTIES**

For Claimant:

Jeff Dennis Ferentz, Esq.  
Greenbaum & Ferentz, LLP  
Newport Beach, California

For Respondent Cruttenden Roth, Inc.:

John R. Loftus, Esq.  
Paul I. Hamada, Esq.  
Keesal, Young & Logan  
Long Beach, California

**CASE INFORMATION**

Statement of Claim filed: May 18, 1999

Claimant's Uniform Submission Agreement signed: May 5, 1999

Statement of Answer filed by Respondent Cruttenden Roth, Inc.: July, 29, 1999

Respondent Cruttenden Roth, Inc.'s Uniform Submission Agreement signed: July 19, 1999

**CASE SUMMARY**

Claimant alleged fraud, breach of fiduciary duty, failure to supervise, negligence, and Rule 10b-5 violations. Claimant's allegations arise out of Respondent's purchase and/or sale of Luther Medical Products, Inc., Xicor, and California Amplifier Corporation securities.

Respondent Cruttenden Roth, Inc. denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

### **RELIEF REQUESTED**

Claimant requested \$100,000.00 in compensatory damages and sought costs and attorney's fees. Claimant also requested punitive damages.

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

### **OTHER ISSUES CONSIDERED AND DECIDED**

At the hearing the Panel determined by the evidence presented that Respondent Lawrence H. Butler, Jr. is deceased.

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

1. All of Claimant's claims are denied in their entirety.
2. Each party shall bear its own costs of arbitration, including attorney's fees.
3. All relief requested and not granted is expressly 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**

**= \$ 225.00**

### **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 Cruttenden Roth, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 1,500.00</u>
<b>Total Member Fees</b>	<b>= \$ 3,100.00</b>

### **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:

One Pre-hearing conference session with the Panel @ \$750.00/session	= \$ 750.00
Pre-hearing conference: March 6, 2000 1 session	

Two Hearing sessions @ \$750.00/session	= \$ 1,500.00
Hearings: June 19, 2000 2 sessions	

<b>Total Forum Fees</b>	<b>= \$ 2,250.00</b>
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1. The Arbitration Panel assessed \$ 1,125.00 of the forum fees to Robert K. Masters.
2. The Arbitration Panel assessed \$ 1,125.00 of the forum fees to Cruttenden Roth, Inc.

### **Fee Summary**

1. Claimant Robert K. Masters is charged with the following fees and costs:	
Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	<u>= \$ 1,125.00</u>
Total Fees	= \$ 1,350.00.
<u>Less payments</u>	<u>= \$( 975.00)</u>
<b>Balance Due NASD Regulation, Inc.</b>	<b>= \$ 375.00</b>


2. Respondent Cruttenden Roth, Inc. is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
Forum Fees	= \$ 1,125.00
Total Fees	= \$ 4,225.00
Less payments	= \$(3,100.00)
<b>Balance Due NASD Regulation, Inc.</b>	<b>= \$ 1,125.00</b>

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 I. Samet, Esq.  
Chair, Public Arbitrator

 22, 2000  
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Signature Date

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Howard A. Emirhanian  
Public Arbitrator

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Signature Date

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Richard A. England  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

JUNE 22, 2000  
\_\_\_\_\_  
Date of Service

Concurring Arbitrators' Signatures

\_\_\_\_\_  
Jack I. Samet, Esq.  
Chair, Public Arbitrator

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Signature Date

  
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Date of Service

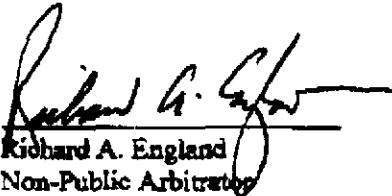
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Howard A. Emirhanian  
Public Arbitrator

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Signature Date

  
\_\_\_\_\_  
Richard A. England  
Non-Public Arbitrator

6-22-00  
\_\_\_\_\_  
Signature Date

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Date of Service