

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Cal-Tex, Claimant v. Hanmi Securities, Inc. and Sung Soo Yan, Respondents

Hanmi Securities, Inc., and Sung Soo Yan, Counter-Claimants v. Cal-Tex, Counter-Respondent

Case Number: 99-04532

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant/Counter-Respondent:

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

For Respondents/Counter-Claimants:

Paul W. Sweeney, Jr., Esq.,
Christopher J. Kondon, Esq.,
and Michael Quinn, Esq.
Kirkpatrick & Lockhart,
L.L.P.
Beverly Hills, California

CASE INFORMATION

Statement of Claim filed: October 5, 1999

First Amended Statement of Claim filed: February 15, 2000

Claimant's Uniform Submission Agreement signed: September 29, 1999

Joint Statement of Answer filed by Respondents: January 13, 2000

Counterclaim filed by Respondents Hanmi Securities, Inc. and Sung Soo Yan: January 13, 2000

Statement of Answer to Counterclaim filed by Claimant Cal-Tex: February 15, 2000

CASE SUMMARY

Claimant, in its original and amended Statements of Claim, alleged breach of fiduciary duty, breach of contract, unsuitability, failure to supervise, violation of NASD Rules of Fair Practice, violation of NYSE Rules, and violation of federal and state securities laws.

Respondents denied the allegations of wrongdoing set forth in Claimant's original and amended Statements of Claim.

In their Counterclaim, Respondents Hanmi Securities, Inc. and Sung Soo Yan alleged breach of contract.

Claimant denied the allegations of wrongdoing set forth in Respondents Hanmi Securities, Inc. and Sung Soo Yan's Counterclaim.

RELIEF REQUESTED

Claimant requested compensatory damages of \$80,000.00, punitive damages, interest, lost opportunity costs, and sought reimbursement for costs of arbitration and attorney's fees. Claimant also requested disgorgement of Respondents' profits relating to Claimant's account.

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

Respondents Hanmi Securities, Inc. and Sung Soo Securities, in their Counterclaim, requested compensatory damages of \$57,099.73 and sought reimbursement of arbitration costs and attorney's fees.

Claimant requested dismissal of the Respondents' Counterclaim in its entirety, and sought reimbursement of arbitration costs and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Hanmi Securities, Inc., and Sung Soo Yan did not file with the NASD Dispute Resolution, Inc. properly executed submission agreements but are required to submit to arbitration pursuant to the Code.

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 Hamni Securities, Inc., and Sung Soo Yan are jointly and severally liable to and shall pay Claimant the sum of \$31,940.00 in compensatory damages.
- 2) Respondents Hamni Securities, Inc., and Sung Soo Yan are jointly and severally liable to and shall pay Claimant the sum of \$6,920.00 in pre-award interest.
- 3) Claimant's request for punitive damages is denied.
- 4) Each party shall bear its own costs, including attorney's fees.
- 5) Respondents' Counterclaim is dismissed with prejudice.
- 6) All other relief requested and not expressly granted is denied.

FEES

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	= \$ 225.00
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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 Hamni Securities, 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>
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 a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: November 21, 2000 1 session	
1 Pre-hearing conference session with the Panel @ \$750.00/session	= \$ 750.00
Pre-hearing conference: July 18, 2000 1 session	
6 Hearing sessions @ \$750.00/session	= \$ 4,500.00
Hearings: December 5, 2000 2 sessions	
December 6, 2000 2 sessions	
December 7, 2000 2 sessions	
Total Forum Fees	= \$ 5,700.00

The Panel assessed \$5,700.00 of the forum fees jointly and severally to Respondents Hamni Securities, Inc. and Sung Soo Yan.

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 other requests.

Cal-Tex, requested service: photocopies = \$ 3.00

Fee Summary

1. Claimant, Cal-Tex, is charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
<u>Administrative Costs</u>	= \$ 3.00
Total Fees	= \$ 228.00
<u>Less Payments</u>	= \$ (975.00)
Refund Due Claimant	= \$ (747.00)

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

Member Fees	= \$ 3,100.00
<u>Less Payments</u>	= \$ (200.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,900.00

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3. Respondents, Hanmi Securities, Inc., and Sung Soo Yan, are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	= \$ 5,700.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 5,700.00

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

Concurring Arbitrators' Signatures

William L. Merkin, Esq.
Chair, Public Arbitrator

Signature Date

Charles L. Repp, Jr.
Public Arbitrator

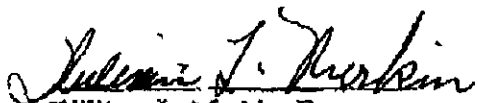
Signature Date

Roger T. Verhage
Non-Public Arbitrator

Signature Date

Date of Service

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Chair, Public Arbitrator

12/19/00
Signature Date

Charles L. Repp, Jr.
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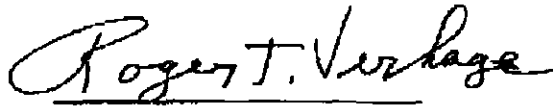
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