

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

William Rex Waterall Trust

Case No. 99-01943

Name of Resuodent

Discover Brokerage Direct, Inc.

REPRESENTATION OF PARTIES

For Claimant: Ronald D. Kelsay, Esq. of Carl A. Crow, Jr. & Associates, Hot Springs, AR.

For Respondent: Robert T. Sullwold, Esq. of Sullwold & Hughes, San Francisco, CA.

CASE INFORMATION

Statement of Claim filed on or about: April 27, 1999.

Claimant signed the Uniform Submission Agreement: April 20, 1999.

Statement of Answer filed by Respondent on or about: July 16, 1999.

Respondent signed the Uniform Submission Agreement: June 8, 1999.

CASE SUMMARY

Claimant alleged the following: Respondent unlawfully and fraudulently churned Claimant's account, engaged in unsuitable transactions, and made improper purchases of securities in a margin account. As a result of the foregoing, Claimant was damaged.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and alleged the following: Respondent never solicited any order nor recommended any trade. Respondent simply took orders from Claimant and sent them to the market for execution.

RELIEF REQUESTED

Claimant requested statutory damages, interest, attorneys' fees, rescission of the sale of 800 shares of AmeriTrade stock, compensatory damages of \$100,000.00, punitive damages, costs, and reimbursement of consideration paid by Claimant for the purchase of certain stocks.

Respondent requested dismissal of the Statement 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:

Claimant's Statement of Claim is dismissed in its entirety.

Claimant's requests for statutory damages, attorneys' fees, rescission, punitive damages, interest, and reimbursement are denied.

Any and all relief requests not specifically addressed herein are 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	= \$ 225.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm, Discover Brokerage Direct, Inc., is a party.

Member surcharge	= \$1000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1500.00

Adjournment Fees

Adjournments requested during these proceedings:

March 21 and 22, 2000, adjournment by Respondent.	= \$ 750.00
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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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four **(4)** hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: February 11, 2000 1 session

Three (3) Hearing sessions x \$750.00 = \$2250.00
Hearing Date: May 2, 2000 3 sessions

Total Forum Fees = \$2700.00

The Panel has assessed \$900.00 of the forum fees to Claimant.
The Panel has assessed \$1800.00 of the forum fees to Respondent.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	<u>= \$900.00</u>
Total Fees	= \$1125.00
<u>Less payments</u>	<u>= \$1125.00</u>
Balance Due NASD Regulation, Inc	= \$ 0.00

Respondent be and hereby is solely liable for:

Member Fees	= \$3100.00
Adjournment Fee	= \$ 750.00
<u>Forum Fees</u>	<u>= \$1800.00</u>
Total Fees	= \$5650.00
<u>Less payments</u>	<u>= \$3100.00</u>
Balance Due NASD Regulation, Inc.	= \$2550.00

All balances are due and payable to NASD Regulation, Inc

Concurring Arbitrators' Signatures

/s/

Leah M. Balk, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/

Robert E. Hornberger, **Esq.**
Public Arbitrator

Signature Date

/s/

Gary S. Jefferson, **Esq.**
Industry Arbitrator

Signature Date

June 6, 2000

Date of Service (For NASD office **use only**)

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: February 11, 2000 1 session

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Claimant be and hereby is solely liable for:

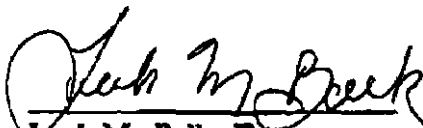
Initial Filing Fee = \$ 225.00
Forum Fees = \$ 900.00
Total Fees = \$1125.00
Less payments = \$1125.00
Balance Due NASD Regulation, Inc. = \$ 0.00

Respondent be and hereby is solely liable for:

Member Fees = \$3100.00
Adjournment Fee = \$ 750.00
Forum Fees = \$1800.00
Total Fees = \$5650.00
Less payments = \$3100.00
Balance Due NASD Regulation, Inc. = \$2550.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures


Leah M. Balk, Esq.
Public Arbitrator, Presiding Chair

June 1st 2000
Signature Date

JUN. 1. 2000 2:21PM

NO. 8009 P. 5/5

Office of Dispute Resolution

Arbitration No. 99-01943

Award Page 4



Robert E. Hornberger, Esq.
Public Arbitrator

6/1/00
Signature Date

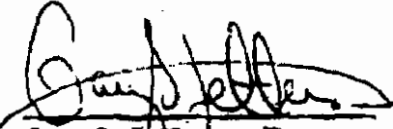
Gary S. Jefferson, Esq.
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

Robert E. Hornberger, Esq.
Public Arbitrator

Signature Date


Gary S. Jefferson, Esq.
Industry Arbitrator

6/2/00
Signature Date

Date of Service (For NASD office use only)

