

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Name of the Claimant

Peregrine Financials & Securities, Inc.

Case Number: 00-04951

Name of the Respondent

Rooz Abaas Eftekhari

Hearing Site: Chicago, Illinois

REPRESENTATION OF PARTIES

Nicholas Iavarone, Esq. and Thomas Sarikas, Esq. of the firm Bellows and Bellows located in Chicago represented Peregrine Financials & Securities, Inc. ("Peregrine Financials"). Rebecca Wing, Esq., Of Counsel to Bellows and Bellows, initially represented Peregrine Financials.

Rooz Abbas Eftekhari is *pro se*. He was initially represented by John E. Linneball, Esq. of Linneball & Associates located in San Francisco, California.

CASE INFORMATION

Pleadings

Peregrine Financials filed its Statement of Claim on or about November 06, 2000.

Rebecca Wing, Esq. Executed Peregrine Financials' Uniform Submission Agreement on October 05, 2000.

Eftekhari filed an Answer and Counterclaim on or about November 15, 2001.

Eftekhari filed a Reply in Support of Counterclaim on or about December 14, 2001.

Eftekhari filed a Reply in Support of Answer to Claimant's Statement of Claim on or about February 04, 2002.

Eftekhari filed an Adjunct Reply in Support of Counterclaim on or about April 02, 2002.

Eftekhari filed an Adjunct Reply in Support of Answer to Claimant's Statement of Claim on or about April 23, 2002.

Peregrine Financials filed an Answer to Counterclaim on or about May 15, 2002.

Eftekhari filed a Response to Peregrine Financial's Answer to Counterclaim on or about May 30, 2002.

Eftekhari filed a Supplemental Reply in Support of Counterclaim on or about July 14, 2002.

Motions

Motion to Combine All Related Claims in Court

Eftekhari filed a Motion to Combine All Related Claims in Court Pursuant to Rule 10216 of the NASD Code of Arbitration Procedure on or about December 21, 2000.

Eftekhari filed a further request to Combine All Related Claims in Court Pursuant to Rule 10216 of the NASD Code of Arbitration Procedure on or about March 21, 2001.

Motion to Strike and Dismiss Counterclaim

Peregrine Financials filed a Motion to Strike and Dismiss Counterclaim on or about December 03, 2001.

Eftekhari filed an Objection to Peregrine Financials Motion to Strike and Dismiss Counterclaim on or about December 14, 2001.

Peregrine Financials filed a Reply in Support of Its Motion to Dismiss Counterclaim on or about January 17, 2002.

Eftekhari filed a SurReply to Peregrine Financials Reply in Support of Motion to Strike and Dismiss Counterclaim on or about January 17, 2002.

Eftekhari filed an Adjunct Reply in Support of Counterclaim on or about February 04, 2002.

Motion to Dismiss Injunctive Relief

Eftekhari filed a Motion to Dismiss Injunctive Relief on or about December 15, 2001.

Peregrine Financials filed a Response to Motion to Dismiss Injunctive Relief on or about January 04, 2002.

Second Motion to Dismiss Injunctive Relief

Eftekhari filed a Second Motion to Dismiss Injunctive Relief on or about May 16, 2002.

Peregrine Financials filed a Response to Eftekhari's Second Motion to Dismiss Injunctive Relief on or about May 29, 2002.

Motion for Change of Venue

Eftekhari filed a Motion for Change of Venue on or about January 07, 2002.

Peregrine Financials filed a Response to Motion for Change of Venue on or about January 11, 2002.

Eftekhari filed a Reply to Peregrine Financials' Response to Motion for Change of Venue on or about January 17, 2002.

Peregrine Financials filed a SurReply in Opposition to Motion for Change of Venue on or about: January 22, 2002.

Motion to Strike/Bar Answer to Counterclaim and Affirmative Defenses

Eftekhari filed a Motion to Strike/Bar Answer to Counterclaim and Affirmative Defenses on or about May 30, 2002.

Peregrine Financials filed a Response to Eftekhari's Objections to and Motion to Strike/Bar Answer to Counterclaim and Affirmative Defenses on or about June 21, 2002.

Eftekhari filed a Response in Support of Motion to Strike/Bar Answer to Counterclaim and Affirmative Defenses filed on or about July 01, 2002.

Peregrine Financials filed a Reply to Eftekhari's Response in Support of Motion to Strike/Bar Answer to Counterclaim and Affirmative Defenses on or about July 15, 2002.

Adjunct Motion to Dismiss Statement of Claim and Defenses to Counterclaim

Eftekhari filed an Adjunct Motion to Dismiss Statement of Claim and Dismiss Defenses to Counterclaim on or about June 21, 2002.

Peregrine Financials filed a Response to Eftekhari's Adjunct Motion to Dismiss Claim and Dismiss Defenses to Counterclaim on or about June 25, 2002.

Eftekhari filed a Response in Support of Adjunct Motion to Dismiss Claim and Dismiss Defenses to Counterclaim filed on or about July 01, 2002.

Peregrine Financials filed a Reply to Eftekhari's Response in Support of Adjunct Motion to Dismiss Claim and Dismiss Defenses to Counterclaim on or about July 15, 2002.

Eftekhari filed a Further Response in Support of Motion to Dismiss Claim and Dismiss Defenses to Counterclaim on or about July 29, 2002.

Adjunct Motion to Dismiss/Deny Statement of Claim and/or Claim, Count II

Eftekhari filed an Adjunct Motion to Dismiss/Deny Statement of Claim and/or Claim, Count II on or about July 13, 2002.

Peregrine Financials filed a Response to Eftekhari's Adjunct Motion to Dismiss/Deny Claim and/or Claim, Count II and Response to Eftekhari's Supplemental Reply in Support of Counterclaim August 12, 2002.

Eftekhari's Reply to Peregrine Financials' Response to Eftekhari's Adjunct Motion to Dismiss/Deny Claim and/or Claim, Count II and Reply to Peregrine Financials' Response to Eftekhari's Supplemental Reply in Support of Counterclaim on or about August 19, 2002.

CASE SUMMARY

Peregrine Financials asserted the following causes of action in its Statement of Claim: Contractual Indemnification on settlement with customer; Contractual Indemnification on additional customer claims; Declaratory Judgment on withheld Wages and Reimbursement for Costs of Defense.

Unless specifically admitted in his Answer, Respondent Eftekhari denied the allegations made in the Statement of Claim and asserted the following defenses: the Contract at issue became null and void when a new verbal contract came into place; the underlying claims by customers that brought about the exercise of the indemnification clause at issue were/are speculative and/or without merit; and unpaid commissions.

RELIEF REQUESTED

Claimant Peregrine Financials requested:

Compensatory Damages	\$100,000.00
----------------------	--------------

Respondent Eftekhari requested:

Attorney's Fees	Reasonable
Costs	Reasonable
Other Monetary/Non-Monetary Relief if any:	

- Return of attached funds, plus interest;
- Payment of unpaid Commissions'
- Dismissal of Claims with prejudice
- Claimant's tendering the \$150,000.00 it alleges it posted in the Circuit Court of Cook County
- Agreement from Claimant not to pursue further actions in any forum
- Sanctions for improper conduct and action with censure, fine, and any other remedy the Panel deems fit.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Rooz Abaas Eftekhari did not file with NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

Eftekhari filed a counterclaim on or about November 15, 2001. At the hearing held on October 16, 2002, Eftekhari moved to sever his counterclaim from the initial claim. The panel granted the motion. Consequently, the panel did not rule on Respondent Eftekhari's counterclaim. A separate panel will adjudicate the counterclaim.

As a consequence of the severance of the counterclaim from this case, the Motion to Strike/Bar Answer to Counterclaim and Affirmative Defenses and the Adjunct Motion to Dismiss Statement of Claim and Defenses to Counterclaim were rendered moot.

On January 24, 2001 NASD notified Eftekhari that he would not be able to Combine All Related Claims in Court pursuant to Rule 10216 of the NASD Code of Arbitration Procedure because at that time he had not asserted any claims in the NASD forum.

On March 29, 2001 NASD again notified Eftekhari that he would not be able to Combine All Related Claims in Court pursuant to Rule 10216 of the NASD Code of Arbitration Procedure because at that time he had not asserted any claims in the NASD forum. Eftekhari did not renew this request after filing a counterclaim.

On January 24, 2002, the panel denied Peregrine Financials' Motion to Strike and Dismiss Counterclaim

Eftekhari's Motion to Dismiss Injunctive Relief and Second Motion to Dismiss Injunctive Relief were treated as one motion. In an order dated January 24, 2002, the panel denied the Motions.

In an order dated January 24, 2002, the panel denied Eftekhari's Motion for Change of Venue.

In an order dated August 29, 2002 the panel partially granted Eftekhari's Adjunct Motion to Dismiss/Deny Statement of Claim and/or Claim, Count II. The panel dismissed Count II in Peregrine Financials' Statement of Claim without prejudice.

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. Respondent Rooz Abaas Eftekhari is liable for and shall pay to Claimant Peregrine Financials & Securities, Inc. the sum of \$88,565.00 as compensatory damages.
2. Parties shall bear their own costs.
3. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$1,000.00
--------------------------	--------------

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Peregrine Financials is a party.

Member surcharge	= \$ 1,000.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$ 1,500.00</u>
Total	= \$ 3,100.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

Peregrine Financials requested an adjournment of the November 05 – 06, 2001 hearing dates	= \$ 750.00
--	-------------

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel at \$750.00	= \$1,500.00
Pre-hearing conferences: July 18, 2001	1 session
May 14, 2002	1 session

Two (2) Hearing sessions at \$750.00	= \$1,500.00
<u>Hearing Dates: October 16, 2002</u>	<u>2 sessions</u>
Total Forum Fees	= \$3,000.00

1. The Panel has assessed \$1,500.00 of the forum fees to Peregrine Financials & Securities, Inc.
2. The Panel has assessed \$1,500.00 of the forum fees to Rooz Abaas Eftekhari.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Eftekhari requested copy service = \$ 114.75

FEE SUMMARY

1. Claimant Peregrine Financials & Securities, Inc. is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,100.00
Adjournment Fee	= \$ 750.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 6,350.00
Less payments	= \$ 4,350.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,000.00

2. Respondent, Rooz Abaas Eftekhari is solely liable for:

Administrative Costs	= \$ 114.75
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 1,614.75
Less payments	= \$ 114.75
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,500.00

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

ARBITRATION PANEL

Donald Whiteman – Non-Public Arbitration, Presiding Chairperson
Arne Rode, Esq. – Non-Public Arbitrator
Kathleen W. Arpaia - Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Donald Whiteman

Donald Whiteman
Public Arbitrator, Presiding Chairperson

Signature Date

/s/ Arne R. Rode

11/25/02

Arne Rode, Esq.
Public Arbitrator

Signature Date

/s/ Kathleen W. Arpaia

11/25/02

Kathleen W. Arpaia
Non-Public Arbitrator

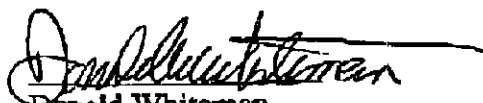
Signature Date

11/26/02

Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 00-04951
Award Page 8 of 8

Concurring Arbitrators' Signatures



Donald Whiteman
Public Arbitrator, Presiding Chairperson

Signature Date

Arne Rode, Esq.
Public Arbitrator

Signature Date

Kathleen W. Arpaia
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

11/25/02 MON 08:20 FAX

NASD REGULATION

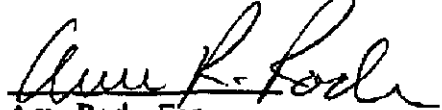
0010

NASD Dispute Resolution, Inc.

Arbitration No. 00-04951

Award Page 8 of 8Concurring Arbitrators' Signatures_____
Donald Whiteman

Public Arbitrator, Presiding Chairperson

Signature Date

Arne Rode, Esq.

Public Arbitrator

11/25/02
Signature Date_____
Kathleen W. Arpaia

Non-Public Arbitrator

Signature Date_____
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution, Inc. •
Arbitration No. 00-04951 •
Award Page 8 of 8

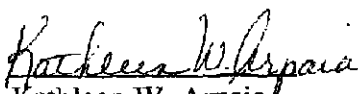
Concurring Arbitrators' Signatures

Donald Whiteman
Public Arbitrator, Presiding Chairperson

Signature Date

Arne Rode, Esq.
Public Arbitrator

Signature Date


Kathleen W. Arpaia
Non-Public Arbitrator

Nov. 25, 2002
Signature Date

Date of Service (For NASD Dispute Resolution office use only)