

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Regal Discount Securities, Inc., (Claimant/CounterRespondent) v. James Allgeier,
(Respondent/CounterClaimant)

Case Number: 00-05509

Hearing Site: Chicago, Illinois

REPRESENTATION OF PARTIES

Claimant/CounterRespondent Regal Discount Securities, Inc. ("Regal Discount"):
Nicholas Iavarone and Thomas E. Sarikas, Esq. of the law firm of Bellows and Bellows,
P.C. located in Chicago, Illinois.

Respondent/CounterClaimant James Allgeier ("Alleier"), was *pro se*.

CASE INFORMATION

Statement of Claim filed on or about: December 12, 2000
Claimant/CounterRespondent Regal Discount signed the Uniform Submission
Agreement: December 04, 2000
Answer to CounterClaim filed on or about: March 05, 2001
Claimant/CounterRespondent's Memorandum of Law filed on or about: October 29,
2001
Claimant/CounterRespondent's Memorandum of Law on Damages filed on or about:
November 20, 2001

Statement of Answer and CounterClaim filed by Respondent/CounterClaimant Alleier on
or about: February 02, 2001
Respondent/CounterClaimant Alleier signed the Uniform Submission Agreement:
February 02, 2001
Respondent/CounterClaimant's Memorandum of Law filed on or about: November 30,
2001

Claimant/CounterRespondent's Motion to Dismiss CounterClaim filed on or about:

March 05, 2001

Respondent/CounterClaimant's Answer to Claimant/CounterRespondent's Motion to Dismiss Counterclaim filed on or about: March 19, 2001

Respondent/CounterClaimant's Emergency Motion for Reconsideration of the Arbitration Panel's Order of October 09, 2001 Dismissing Portions of the CounterClaim filed on or about: October 30, 2001

Claimant/CounterRespondent's Response to Respondent/CounterClaimant's Emergency Motion for Reconsideration of the Arbitration Panel's Order of October 09, 2001 Dismissing Portions of the CounterClaim filed on or about: November 02, 2001

Respondent/CounterClaimant's Amended Motion for Reconsideration of the Arbitration Panel's Order of October 09, 2001 Dismissing Portions of the CounterClaim filed on or about: October 30, 2001

CASE SUMMARY

Claimant/CounterRespondent Regal Discount Securities, Inc. asserted the following causes of action: Breach of Contract; Breach of Fiduciary Duty; Conversion and Unfair Competition.

Unless specifically admitted in his Answer, Respondent/CounterClaimant James Allgeier denied the allegations made in the Statement of Claim and asserted the following defenses: Failure to State a Reasonable Basis for Relief on any Claim and Failure to Establish that an Enforceable Contract Exists between the Parties.

Respondent/CounterClaimant Allgeier asserted the following causes of action: Breach of Contract; Slander; Malicious Prosecution (Abuse of Process); and Conversion.

Unless specifically admitted in its Answer, Claimant/CounterRespondent Regal Discount denied the allegations made in the CounterClaim.

RELIEF REQUESTED

Claimant/CounterRespondent Regal Discount Securities, Inc. requested:

Compensatory Damages	\$1,000,000.00
Punitive Damages	\$1,000,000.00
Attorneys' Fees	not specified
Other Costs	not specified
Other Monetary/Non-Monetary Relief if any:	

injunctive relief forbidding the disclosure of trade secrets, customer lists, and other confidential information that are solely the property of Regal and its clients; dismissal of counterclaim; and any relief the panel deems appropriate

Respondent/CounterClaimant James Allgeier requested:

Compensatory Damages	\$4,000,000.00
Compensatory Damages	the equivalent pay for three vacation days
Punitive Damages	\$7,500,000.00
Attorneys' Fees	not specified
Other Costs	not specified
Other Monetary/Non-Monetary Relief if any:	

initial claim be dismissed with prejudice; that Regal be enjoined from bringing this action in another forum; and any relief the panel deems just and equitable

OTHER ISSUES CONSIDERED AND DECIDED

On October 09, 2001, after considering the arguments and submissions relating to Claimant/CounterRespondent's Motion to Dismiss all Counts of Respondent/CounterClaimant's Counterclaim the panel partially granted the Motion. This motion was granted as to Count I (breach of contract relating to vacation pay) and Count IV (malicious prosecution), and denied as to Count II (breach of contract) and Count III (slander).

On November 06, 2001, after considering all the submissions and arguments relating to Respondent/CounterClaimant's Emergency Motion for Reconsideration of the Panel's October 09, 2001 Order Dismissing Portions of the CounterClaim was denied.

At hearing Respondent/CounterClaimant moved to dismiss Regal Discount's claims, that Regal Discount be enjoined from bringing this action or similar one against Respondent/CounterClaimant in any forum, and that Respondent/CounterClaimant be awarded costs, attorneys fees and other relief. This motion was denied.

At hearing Respondent/CounterClaimant moved for permission to file a post-hearing brief. This motion was denied.

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/CounterClaimant James H. Allgeier is liable to and shall pay to Claimant/Counter Respondent Regal Discount Securities, Inc. the sum of \$5,500.00 as compensatory damages.
2. Any and all claims asserted by Respondent/CounterClaimant James H. Allgeier are denied and dismissed with prejudice.
3. Parties shall bear their own costs, including attorney's fees.
4. Any and all relief not specifically addressed herein, including punitive damages, 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	= \$2,000.00
Counter claim filing fee	= \$ 600.00

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. In this matter, the member firm is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$4,500.00</u>
Total Member Fees	= \$7,600.00

Adjournment Fees

Adjournments requested during these proceedings:

At the beginning of the first day of hearing Respondent/CounterClaimant Allgeier Moved to Postpone the November 06 – 08 Hearing Dates and ReOpen Discovery. This motion was denied and no postponement fees were assessed.

Forum Fees and Assessments

The panel has the authority to assess forum fees for each hearing session conducted. A hearing 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:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: September 19, 2001	1 session

Two (2) Pre-hearing sessions with Panel x \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: September 10, 2001	1 session
October 09, 2001	1 session

Eight (8) Hearing sessions x \$1,200.00	= \$ 9,600.00
Hearing Dates: November 06, 2001	2 sessions
November 07, 2001	2 sessions
November 08, 2001	2 sessions
December 13, 2001	2 sessions

Total Forum Fees	= \$12,450.00
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The panel has assessed \$12,450.00 of the forum fees to Respondent/CounterClaimant James H. Allgeier.

Fee Summary

1. Claimant/CounterRespondent Regal Discount Securities, Inc. is solely liable for:

Initial Filing Fee	= \$ 2,000.00
<u>Member Fees</u>	= \$ 7,600.00
Total Fees	= \$ 9,600.00
<u>Less payments</u>	= \$ 5,700.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,900.00

2. Respondent/CounterClaimant James Allgeier is solely liable for:

Filing Fee	= \$ 600.00
<u>Forum Fees</u>	= \$12,450.00
Total Fees	= \$13,050.00
<u>Less payments</u>	= \$ 1,800.00
Balance Due NASD Dispute Resolution, Inc.	= \$11,250.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Herbert S. Channick, Esq. - Public Arbitrator, Presiding Chair
Howard J. Swibel, Esq. - Public Arbitrator
Kurt L. Schultz, Esq. - Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Herbert S. Channick

01/15/02

Herbert S. Channick, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/ Howard J. Swibel

01/10/02

Howard J. Swibel, Esq.
Public Arbitrator

Signature Date

/s/ Kurt L. Schultz

01/15/02

Kurt L. Schultz, Esq.
Non-Public Arbitrator

Signature Date

01/16/02

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

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Concurring Arbitrators' Signatures

Herbert S. Channick
Herbert S. Channick, Esq.
Public Arbitrator, Presiding Chair

Jan. 15, 2002
Signature Date

Howard J. Swibel, Esq.
Public Arbitrator

Signature Date

Kurt L. Schultz, Esq.
Non-Public Arbitrator

Signature Date

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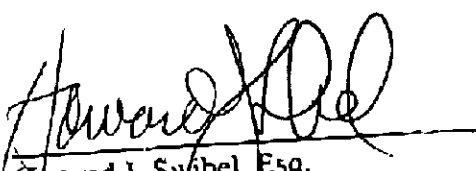
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Kurt L. Schultz, Esq.
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Signature Date

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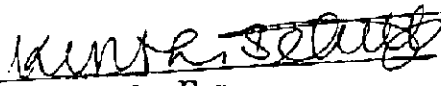
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Signature Date

Howard J. Swibel, Esq.
Public Arbitrator

Signature Date



Kurt L. Schultz, Esq.
Non-Public Arbitrator

1-15-02

Signature Date

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