

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Wedbush Morgan Securities Inc.

Case Number: 01-00906

v.

Yossi Koren

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant Wedbush Morgan Securities Inc., hereinafter referred to as "Claimant": Jerry S. Phillips, Esq., Richman, Mann, Chizever, Phillips & Duboff, Beverly Hills, CA.
Previously represented by: Gary L. Holmes, Esq., Wedbush Morgan Securities Inc., Los Angeles, CA.

Respondent Yossi Koren, hereinafter referred to as "Respondent": Marc J. Ross, Esq., Sichenzia, Ross & Friedman LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 23, 2001.
Reply to Counterclaim filed by Claimant on or about: July 9, 2001.
Claimant signed the Uniform Submission Agreement: February 15, 2001.

Statement of Answer and Counterclaim filed by Respondent on or about: May 22, 2001.
Respondent did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, failure to repay loan, and failure to repay monies owed.

Claimant's claims involved the stock of Fidelity Holdings, Inc.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In its Counterclaim, Respondent asserts the following causes of action: negligence, breach of fiduciary duty, violation of federal securities laws and regulations, and bad faith.
Respondent's counterclaims involved the stock of Fidelity Holdings, Inc.

Unless specifically admitted in his Reply, Claimant denied the allegation made in Respondent's Counterclaim.

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages in the amount of \$871,378.07 plus interest at the maximum legal rate;
2. Attorneys' fees;
3. Costs of suit, including but not limited to forum fees; and
4. Such other and further relief as may be just and proper.

Respondent requested:

1. The Panel deny Claimant's claims;
2. Compensatory damages in the amount of \$188,725.84;
3. Costs incurred in this proceeding, and reasonable attorneys' fees;
4. Such other and further relief as may be just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement 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.

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:

1. Respondent shall pay to Claimant compensatory damages in the sum of \$631,384.00.
2. Respondent's Counterclaim is denied in its entirety.
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 will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$1,250.00
Counterclaim filing fee	= \$ 300.00

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. Accordingly, Wedbush Morgan Securities, Inc. is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: February 12, 2003 1 session	

Two (2) Pre-hearing sessions with Panel @ \$1,200.00	= \$2,400.00
Pre-hearing conferences: September 17, 2002 1 session	
April 21, 2003 1 session	

Six (6) Hearing sessions @ \$1,200.00	= \$7,200.00
Hearing Dates: May 13, 2003 2 sessions	
May 14, 2003 2 sessions	
May 15, 2003 2 sessions	

Total Forum Fees	= \$10,050.00
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1. The Panel has assessed \$10,050.00 of the forum fees against Wedbush Morgan Securities Inc.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 1,250.00
Member Fees	= \$ 6,100.00
<u>Forum Fees</u>	= <u>\$10,050.00</u>
Total Fees	= \$17,400.00
<u>Less payments</u>	= <u>\$ 7,350.00</u>
Balance Due NASD Dispute Resolution	= \$10,050.00

2. Respondent is solely liable for:

Counterclaim Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= <u>\$ 0.00</u>
Total Fees	= \$ 300.00
<u>Less payments</u>	= <u>\$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 300.00

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

ARBITRATION PANEL

Allen Kilik, Esq.	-	Public Arbitrator, Presiding Chair
Aaron Friedman	-	Public Arbitrator
Thomas E. Duggan, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument in which is my award.

Allen Kilik
Allen Kilik, Esq.
Public Arbitrator, Presiding Chairperson

6-12-03
Signature Date

Aaron Friedman
Public Arbitrator

Signature Date

Thomas E. Duggan, Esq.
Non-Public Arbitrator

Signature Date

June 16, 2003

Date of Service (For NASD Dispute Resolution use only)

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ARBITRATION PANEL

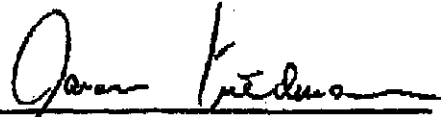
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Allen Kilk, Esq.
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Signature Date



Aaron Friedman
Public Arbitrator



Signature Date

Thomas E. Duggan, Esq.
Non-Public Arbitrator

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ARBITRATION PANEL

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Aaron Friedman	-	Public Arbitrator
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Concurring Arbitrators' Signatures

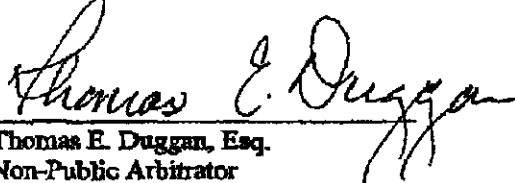
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Allen Kilik, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Aaron Friedman
Public Arbitrator

Signature Date


Thomas E. Duggan, Esq.
Non-Public Arbitrator

6/16/03
Signature Date

June 16, 2003
Date of Service (For NASD Dispute Resolution use only)