

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Wedbush Morgan Securities, Inc. (Claimant) v. Avraham Nissanian (Respondent)

Case Number: 01-00908

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, Avraham Nissanian, 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: June 29, 2001.
Claimant signed the Uniform Submission Agreement: February 15, 2001.

Statement of Answer and Counterclaim filed by Respondent on or about: May 2, 2001.
Statement of Answer and Amended Counterclaim filed by Respondent on or about: April 30, 2002.
Respondent did not sign the Uniform Submission Agreement.

CASE SUMMARY

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

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

In his Counterclaim, Respondent asserted the following causes of action: negligence, breach of fiduciary duty, and bad faith.

Unless specifically admitted in its Reply, Claimant denied the allegations made in Respondent's Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages in the amount of \$782,488.31, plus interest at the maximum legal rate;
2. The costs and disbursements of this arbitration proceeding, including attorneys' fees;
3. Dismissal of Respondent's Counterclaim;
4. Such other and further relief as may be just and proper.

Respondent requested:

1. Compensatory damages in the amount of \$242,000.00, plus statutory interest;
2. Attorneys' fees and costs incurred in this proceeding, as well as the attorneys' fees incurred in compelling Respondent to submit this matter to arbitration;
3. Claimant's claims be denied with prejudice;
4. Such other and further relief as may be just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On June 11, 2002, Claimant filed a Motion to Dismiss Respondent's Counterclaim. The Panel denied this motion.

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 is liable for and shall pay to Claimant the sum of \$700,000.00 as compensatory damages.
2. Respondent is liable for and shall pay to Claimant the sum of \$625.00 to reimburse Claimant for half of the non-refundable filing fee previously paid to NASD Dispute Resolution.
3. Claimant Wedbush Morgan is directed to return any securities in Respondent Nissanian's account to Mr. Nissanian.
4. 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

As stated in the "Award" section above, Respondent shall reimburse Claimant for \$625.00 that equals one half of the filing fee.

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 persons 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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

August 5-7, 2002, adjournment by Respondent = \$1,200.00

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: September 24, 2002 1 session

Two (2) Pre-hearing sessions with Panel @ \$1,200.00 = \$2,400.00

Pre-hearing conferences: November 14, 2001 1 session

December 5, 2002 1 session

Eight (8) Hearing sessions @ \$1,200.00 = \$9,600.00

Hearing Dates: December 18, 2002 2 sessions

December 19, 2002 2 sessions

June 30, 2003 2 sessions

July 2, 2003 2 sessions

Total Forum Fees = \$12,450.00

1. The Panel has assessed \$6,225.00 of the forum fees against Claimant.
2. The Panel has assessed \$6,225.00 of the forum fees against Respondent.

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.

1. Claimant, requested copies of hearing tapes = \$ 90.00

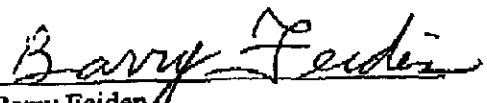
2. Respondent, requested copies of hearing tapes = \$ 90.00

ARBITRATION PANEL

Barry Feiden	-	Public Arbitrator, Presiding Chair
Judith C. Zerden, Esq.	-	Public Arbitrator
Larry A. Kimmel	-	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 is which is my award.



Barry Feiden
Public Arbitrator, Presiding Chairperson

Signature Date

Judith C. Zerden, Esq.
Public Arbitrator

Signature Date

Larry A. Kimmel
Non-Public Arbitrator

Signature Date

July 30, 2003

Date of Service (For NASD Dispute Resolution use only)

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Judith C. Zerden, Esq.
Public Arbitrator

Signature Date



Larry A. Kimmel
Non-Public Arbitrator

7/12/03
Signature Date

July 30, 2003

Date of Service (For NASD Dispute Resolution use only)