

**AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of Claimants

Akram Karadsheh, Bashar Karadsheh,
Samir Karadsheh, individually,
Samir Karadsheh and Farid Karadsheh, jointly
Ramzi Karachy and Khulood Karachy, jointly,
Holland Big Boy Inc., RLK Development,
and Ramzi Karachy as Custodian for Leena
Karachy, Nader Karachy, Niveen Shatara, and
Samer Karachy, all Minors

and

Case Number: 01-01071
Hearing Site: Southfield, Michigan

Names of Respondents

Robert W. Baird & Associates, Inc. and
Eric A. Peters

REPRESENTATION OF PARTIES

Akram Karadsheh, Bashar Karadsheh, Samir Karadsheh and Farid Karadsheh, Ramzi Karachy, Khulood Karachy, Holland Big Boy Inc., RLK Development, Ramzi Karachy as Custodian for Leena Karachy, Nader Karachy, Niveen Shatara, and Samer Karachy, all Minors ("Claimants") were represented by James M. DeZelar, Esq., Robbins, Salomon & Patt, Ltd., Chicago, Illinois.

Robert W. Baird & Associates, Inc. ("Baird") and Eric A. Peters ("Peters"), hereinafter referred to as "Respondents," were represented by Gregory G. Wille, Esq., Wille Gregory & Lundeen, Milwaukee, Wisconsin.

CASE INFORMATION

The Statement of Claim was filed on or about March 5, 2001. The Submission Agreement of Claimant Akram Karadsheh was signed on or about February 28, 2001. The Submission Agreement of Bashar Karadsheh was signed on or about March 10, 2001. The Submission Agreement of Samir Karadsheh was signed on or about March 10, 2001. The Submission Agreement of and Farid Karadsheh was signed on or about March 10, 2001. The Submission Agreement of Ramzi Karachy was signed on or about March 10, 2001. The Submission Agreement of Khulood Karachy was signed on or about March 10, 2001. The Submission Agreement of Holland Big Boy Inc. was signed on or about March 13, 2001, by Akram Karadsheh. The Submission Agreement of RLK Development was signed on or about March 13, 2001, by Akram Karadsheh. The Submission Agreement of Ramzi Karachy, individually, was signed on or about February 28, 2001. The Submission Agreements of Ramzi Karachy as Custodian for Leena Karachy, Nader Karachy, Niveen Shatara, and Samer Karachy, all Minors, were each signed on or about March 10, 2001.

Statement of Answer was filed jointly by Respondent Baird and Peters on or about May 30, 2001. The Submission Agreement of Respondent Robert W. Baird & Associates, Inc. was signed on or about March 19, 2001. The Submission Agreement of Respondent Eric A. Peters was signed on or about May 30, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: churning, unsuitability, breach of contract, common law fraud and constructive fraud through breach of fiduciary duty, breach of fiduciary duty, negligence and gross negligence, unauthorized trading, violations of SEC Rule 10b-5 and Securities Exchange Act of 1934, and unjust enrichment. The causes of action relate to the alleged mismanagement of the Claimants' various accounts, including frequent trading in multiple high-risk volatile securities, including "high tech" companies, option trading, and margin trading in the non-custodial accounts.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: any loss sustained by Claimants was the direct and proximate result of their own investment choices and market conditions and risks inherent in the investment activity they sought to pursue, which risks they knowingly and willingly assumed, Claimants did not reasonably rely on any false information or non-disclosure of material information by Respondents in making any investment decision that resulted in the damages alleged, any investment losses incurred by Claimants were the result of their own contributory negligence, and Claimants failed to mitigate their alleged damages.

RELIEF REQUESTED

Claimants requested an award in the amount of commissions, and other fees Respondents received, directly or indirectly, from Claimants' investments, together with lost opportunity damages, prejudgment interest, costs, attorneys' fees, punitive damages in an amount to be determined by the Arbitrators, and such other relief as is deemed necessary and proper. In their Statement of Claim and accompany submissions, in addition to the above items, Claimants requested damages as follows:

Claimant Akram Karadsheh requested actual damages of \$549,100.00 plus punitive damages of \$1,200,000.00 on behalf of himself, Holland Big Boy, Inc., and RLK Development. Claimant Bashar Karadsheh requested actual damages of \$96,000.00, plus punitive damages of \$200,000.00. Claimants Samir and Farid Karadsheh requested actual damages of \$48,000.00 plus punitive damages of \$100,000.00. Claimant Ramzi Karachy requested actual damages of \$583,000.00 in his joint account with Khulood Karachy and a total of \$33,000.00 for the custodial accounts, plus punitive damages of \$1,200,000.00.

At hearing, Claimants requested more specific damages under alternate theories of recovery.

Respondents requested that the claims asserted against them be dismissed in their entirety and that Claimants be required to pay all costs and forum fees. At hearing, Respondent Peters requested expungement of his CRD record.

OTHER ISSUES CONSIDERED & DECIDED

At hearing, Claimants voluntarily withdrew the claims of Holland Big Boy, Inc. The Panel accepted the withdrawal of Holland Big Boy, Inc.'s claims with prejudice and did not adjudicate any claims of Holland Big Boy, Inc. against Respondents.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimants' claims, each and all, are denied and dismissed with prejudice;
- 2.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) That any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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 = \$ 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 Robert W. Baird & Associates, Inc.

Member surcharge = \$ 2,500.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$ 4,500.00

Adjournment Fees

Adjournments requested during these proceedings:

June 11-14 and June 25-28, 2003, adjournment by Claimants = \$ 1,200.00

Forum Fees and Assessments

The Arbitration 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: January 23, 2002 1 session

One (1) Pre-hearing session(s) with Panel x \$1,200.00 = \$ 1,200.00
Pre-hearing conference: September 14, 2001 1 session

Thirty-two (32) Hearing sessions x \$1,200.00 = \$38,400.00

Hearing Date:

| | |
|-------------------|------------|
| February 4 2003 | 2 sessions |
| February 5, 2003 | 2 sessions |
| February 6, 2003 | 2 sessions |
| February 7, 2003 | 2 sessions |
| February 11, 2003 | 2 sessions |
| February 12, 2003 | 2 sessions |
| February 13, 2003 | 2 sessions |
| February 14, 2003 | 2 sessions |
| February 21, 2003 | 2 sessions |
| February 22, 2003 | 2 sessions |
| February 23, 2003 | 2 sessions |
| February 24, 2003 | 2 sessions |
| February 25, 2003 | 2 sessions |
| March 17, 2003 | 2 sessions |
| March 18, 2003 | 2 sessions |
| March 19, 2003 | 2 sessions |

Total Forum Fees = \$40,050.00

The Arbitration Panel has assessed \$13,350.00 of the forum fees jointly and severally to Akram Karadsheh, Bashar Karadsheh, Samir Karadsheh and Farid Karadsheh, Ramzi Karachy and Khulood Karachy, Holland Big Boy Inc., RLK Development, Ramzi Karachi, individually, Ramzi Karachy as Custodian for Leena Karachy, Nader Karachy, Niveen Shatara, and Samer Karachy, all Minors.

The Arbitration Panel has assessed \$26,700.00 of the forum fees jointly and severally to Robert W. Baird & Associates, Inc. Eric A. Peters.

Fee Summary

Claimants, Akram Karadsheh, Bashar Karadsheh, Samir Karadsheh and Farid Karadsheh, Ramzi Karachy and Khulood Karachy, Holland Big Boy Inc., RLK Development, Ramzi Karachi, individually, and Ramzi Karachy as Custodian for Leena Karachy, Nader Karachy, Niveen Shatara, and Samer Karachy, all Minors, are jointly and severally liable for:

| | |
|-------------------------------------|---------------|
| Initial Filing Fee | = \$ 600.00 |
| Adjournment Fee | = \$ 1,200.00 |
| Forum Fees | = \$13,350.00 |
| Total Fees | = \$15,150.00 |
| Less payments | = \$ 2,575.00 |
| Balance Due NASD Dispute Resolution | = \$12,575.00 |

Respondent, Robert W. Baird & Associates, Inc., is liable for:

| | |
|-------------------------------------|---------------|
| Member Fees | = \$ 7,600.00 |
| Total Fees | = \$ 7,600.00 |
| Less payments | = \$ 7,600.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

Respondents, Robert W. Baird & Associates, Inc. and Eric A. Peters, are jointly and severally liable for:

| | |
|-------------------------------------|---------------|
| Forum Fees | = \$26,700.00 |
| Total Fees | = \$26,700.00 |
| Less payments | = \$ 9,600.00 |
| Balance Due NASD Dispute Resolution | = \$17,100.00 |

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

ARBITRATION PANEL

A. Robert Stevenson, Esq. - Public Arbitrator, Presiding Chair
Jerome D. Sobczak - Public Arbitrator
Brace K. Case, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

/s/ A. Robert Stevenson, Esq.
A. Robert Stevenson, Esq.
Public Arbitrator, Presiding Chair

04/09/03
Signature Date

/s/ Jerome D. Sobczak
Jerome D. Sobczak
Public Arbitrator

04/07/03
Signature Date

/s/ Brace C. Case, Esq.
Brace K. Case, Esq.
Non-Public Arbitrator

04/11/03
Signature Date

04/14/03
Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 01-01071
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| | |
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Jerome D. Sobczak - Public Arbitrator
Brace K. Case, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

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Public Arbitrator, Presiding Chair

Jerome D. Sobczak
Jerome D. Sobczak
Public Arbitrator

Signature Date

4-07-03
Signature Date

Brace K. Case, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

FROM :

FAX NO. :

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NASD REGULATION

001

NASD Dispute Resolution
 Arbitration No. 01-01071
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 Jerome D. Sobczak - Public Arbitrator
 Brace K. Case, Esq. - Non-Public Arbitrator

Concurring Arbitrators:



A. Robert Stevenson, Esq.
 Public Arbitrator, Presiding Chair

4/9/03
 Signature Date

Jerome D. Sobczak
 Public Arbitrator

Signature Date

Brace K. Case, Esq.
 Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution
Arbitration No. 01-01071
Award Page 5 of 5

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Concurring Arbitrators:

A. Robert Stevenson, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Jerome D. Sobczak
Public Arbitrator

Signature Date



Brace K. Case, Esq.
Non-Public Arbitrator

4/11/03

Signature Date

Date of Service (For NASD office use only)