

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Kamlesh Chopra

Case Number: 01-01182
(Master Case)

Name of the Respondents
All-Tech Investment Group, Inc. (n/k/a All-Tech Direct, Inc.)
Penson Financial Services, Inc.

Hearing Site: Troy, Michigan

In the Matter of the Arbitration Between:

Name of the Claimant
All-Tech Investment Group, Inc.

Case Number: 01-01679
(Subordinate Case)

Name of the Respondent
Kamlesh Chopra

Hearing Site: Troy, Michigan

Nature of the Dispute: Customer vs. Terminated Member and Member.

REPRESENTATION OF PARTIES

Claimant, Kamlesh Chopra ("Claimant" or "Chopra"), was represented by Larry O. Smith, Esq. of the Law Office of Larry O. Smith, Beverly Hills, MI at the October 2003 hearing. Claimant represented herself at the May 2004 hearing.

Respondent, All-Tech Investment Group, Inc. ("All-Tech"), was represented by Gary M. Saretsky, Esq. and Eric A. Michaels, Esq. of the Law Offices of Hertz, Schram & Saretsky, P.C., Bloomfield Hills, MI.

Respondent, Penson Financial Services, Inc. ("Penson"), was represented by James E. Etri, Esq. of the law firm of Baker & McKenzie, Attorneys at Law, Dallas, TX.

CASE INFORMATION

Pleadings Filed in Case 01-01182:
Statement of Claim filed on: February 28, 2001

Claimant signed the Uniform Submission Agreement: March 19, 2001

Claimant's June 12, 2001 and June 15, 2001 Letters Opposing All-Tech's Motion to Consolidate.

Claimant's July 20, 2001 Opposition to Penson's Motion to Dismiss.

Statement of Answer, Affirmative Defenses and Motion to Consolidate filed by Respondent All-Tech on or about: June 6, 2001

All-Tech's Uniform Submission Agreement was executed by Mark Sheft on: April 26, 2001

Penson's Statement of Answer and Motion to Dismiss filed on: July 7, 2001

A representative of Penson's Uniform Submission Agreement signed on: April 26, 2001

Pleadings Filed in Case 01-01679:

Statement of Claim filed on: April 3, 2001

All-Tech's Uniform Submission Agreement executed by Linda Lerner on: September 5, 2001

Chopra's Statement of Answer was filed: November 21, 2001

CASE SUMMARY

For Case No. 01-01182:

Claimant asserted the following causes of action: violation of SEC, NASD and New York Stock Exchange rules; negligence; wrongful liquidation of account; breach of contract; and breach of fiduciary duty. The causes of action relate to, among other things, the allegations by Claimant that Respondents failed to maintain accurate records regarding her account and that her account was wrongfully liquidated because Respondents' account- statements failed to reflect the true value in her account.

Unless specifically admitted in its Answer, All-Tech denied each and every allegation asserted by Claimant in her Statement of Claim. All-Tech asserted, among other things, the following defenses: failure to bring a claim upon which relief may be granted; damages or losses were caused by Claimant's own actions; estoppel; waiver and/or laches; relief is barred by the economic loss doctrine; Claimant cannot establish causation; and All-Tech is entitled to indemnification from Claimant and non-parties.

Unless specifically admitted in its Answer, Penson denied each and every allegation asserted by Claimant in her Statement of Claim. Penson asserted, among other things, the following defenses: failure to state a claim upon which relief can be granted; claims are barred; Penson was not All-Tech's agent; assumption of risks by Claimant; losses caused by Claimant's own conduct or negligence; Claimant's claim is barred by the doctrines of waiver, estoppel and ratification; and Claimant failed to mitigate her losses.

For Case No. 01-01679:

All-Tech asserted the following causes of action: breach of contract, promissory estoppel and unjust enrichment. The causes of action relate to the allegation by All-Tech that Chopra failed to satisfy her margin calls and All-Tech liquidated her account leaving a debit balance that Chopra has not paid.

Unless specifically admitted in her Answer, Chopra denied each and every allegation asserted by All-Tech in its Statement of Claim. Chopra asserted, among other things, the following defenses: All-Tech fails to bring a claim for which relief may be granted; the claim is barred by statute of limitations; All-

Tech's claim is brought in bad faith; the debit balance was caused by All-Tech's negligence; All-Tech's claim is barred by laches; All-Tech's losses were caused by its own poor accounting; and All-Tech's claim is brought to confuse the issues and divert attention from All-Tech's own wrongdoing.

RELIEF REQUESTED

For Case No. 01-01182:

Claimant, in her pleading, requested that the panel of arbitrators ("Panel") issue an award in her favor in an amount that the Panel finds just and appropriate to compensate Claimant for the damages caused by Respondents. Claimant also requested all fees and costs related to bringing this claim.

Respondent requested that all claims for relief sought by Claimant be denied in their entirety.

For Case No. 01-01679:

All-Tech requested, at the hearing,

Compensatory Damages	\$ 85,557.76
Interest	\$ 25,396.41
Attorneys' Fees	\$ 99,882.56
<u>Fees and Costs</u>	<u>\$ 28,500.00</u>
Total Damages sought by All-Tech	\$239,336.73

Chopra requested that all damages sought by All-Tech be denied in their entirety and that the Panel issue an award in her favor.

OTHER ISSUES CONSIDERED AND DECIDED

All-Tech made a motion to consolidate NASD Case No. 01-01679 with NASD Case No. 01-1182. This motion was opposed by Claimant and granted by the Panel on September 11, 2002. Penson made a motion to dismiss that was opposed by Claimant. Penson's Motion to Dismiss was granted by the Panel on September 11, 2002. Claimant made a motion to the Panel to reconsider its ruling on the Motion to Dismiss. Claimant's request for reconsideration was denied.

All-Tech made several motions to dismiss that were denied by the Panel. After the close of Claimant's case, All-Tech made a motion for directed verdict that was opposed by Claimant. On May 13, 2004, the Panel granted All-Tech's motion for directed verdict. On May 14, 2004, All-Tech put on its case in the subordinate case, NASD Case No. 01-01679.

Claimant made a motion to strike All-Tech's expert who was proffered to testify on All-Tech's claim. This motion was opposed by All-Tech. The Panel denied Claimant's motion to strike.

During the course of the arbitration, Claimant was warned to act in accordance with the Panel's instructions and she repeatedly ignored the guidance of the Panel. The Panel advised Claimant that her continuing refusal to abide by the Panel's rulings on evidentiary matters would result in sanctions. Prior to assessing monetary sanctions, the Panel duly warned Claimant that should disruptions continue, Claimant would be sanctioned. Claimant failed to heed the warnings of the Panel and was sanctioned in

the amount of \$1,500. Claimant was ordered on May 13, 2004 to pay the sanction in the amount of \$1,500 jointly to All-Tech's counsel, Hertz, Schram & Saretsky and All-Tech by the close of business on May 13, 2004. All-Tech, at the final day of hearing, indicated that it was satisfied that Claimant had made payment of the sanction.

The parties 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:

On Case No. 01-1182:

1. That Claimant's claims are denied in their entirety on a motion for directed verdict at the close of Claimant's case;
2. That the parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
3. That any and all claims for relief not specifically addressed herein are denied in their entirety.

On Case No. 01-01679:

1. That Chopra is liable to and shall pay to All-Tech the sum of \$60,000, plus interest in the amount of \$17,810; for a total award of compensatory damages in the amount of \$77,810; post judgment interest shall run on the total amount at 6% simple interest per annum until the date the award is paid in full;
2. That Chopra is liable to and shall pay to All-Tech the amount of \$10,000 for attorneys' fee related to the collection action. No prejudgment interest is awarded on this amount;
3. That Chopra is liable to and shall pay to All-Tech costs in the amount of \$10,000. No prejudgment interest is awarded on this amount;
4. That the parties shall bear their respective costs, except as provided above or as Fees are specifically addressed below; and
5. That any and all claims for relief not specifically addressed herein are denied in their entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Fees Associated with Case Number 01-01182:

Filing Fees

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

Initial claim filing fee = \$ 250

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute.

Accordingly, All-Tech is a party.

Member surcharge = \$1,200

Pre-hearing process fee = \$ 600

Hearing process fee = \$2,000

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute.

Accordingly, Penson was a party.

Member surcharge = \$1,200

Pre-hearing process fee = \$ 600

Hearing process fee = \$2,000

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 10 and 11, 2002, adjournment by Claimant = \$1,000

October 21, 2003, adjourned by Claimant = \$1,000

October 23 and 24, adjourned by Respondents to October 28 and 29 = waived

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450 = \$ 900

Pre-hearing conferences: February 26, 2002 1 session

October 8, 2003 1 session

Two (2) Pre-hearing sessions with the Panel @ \$1,000 = \$ 2,000

Pre-hearing conferences: December 7, 2001 1 session
February 3, 2002 1 session

Fourteen (14) Hearing sessions @ \$1,000 = \$14,000

Hearing Dates: October 20, 2003 2 sessions
October 21, 2003 1 session
October 22, 2003 2 sessions
May 10, 2004 2 sessions
May 11, 2004 2 sessions
May 12, 2004 1 session
May 13, 2004 2 sessions
May 14, 2004 2 sessions

Total Forum Fees = \$16,900

The Panel has assessed forum fees in the amount of \$16,900 against Claimant.

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 that subpoenas and a Motion be sent to Chair by FedEx = \$30
2. Claimant requested two (2) tapes duplicated after the first set of hearings = \$30

Fee Summary

1. Claimant, Kamlesh Chopra, is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 250
Adjournment Fee	= \$ 2,000
Forum Fees	= \$16,900
<u>Administrative Costs</u>	<u>= \$ 60</u>
Total Fees	= \$19,210
<u>Less payments</u>	<u>= \$ 1,250</u>
Balance Due NASD Dispute Resolution	= \$17,960

2. Respondent, All-Tech, is assessed and shall pay the following fees:

Member Fees	= \$3,800
<u>Adjournment Fee</u>	<u>= waived</u>
Total Fees	= \$3,800
<u>Less payments</u>	<u>= \$1,200</u>
Balance Due NASD Dispute Resolution	= \$2,600

3. Respondents, Person Financial Services, Inc. is assessed and shall pay the following fees:

<u>Member Fee Type</u>	= \$3,800
Total Fees	= \$3,800
<u>Less Payments</u>	= \$3,800
Balance Due to NASD Dispute Resolution	= \$ 00

Fees Associated with Case Number 01-01679:

Filing Fees

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

Initial claim filing fee	= \$1,000
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute.

Accordingly, All-Tech is a party.

Member surcharge	= \$1,000
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$1,500

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 the Panel @ \$750	= \$ 750
Pre-hearing conference: June 3, 2002 1 session	

The Panel has assessed forum fees in the amount of \$750 against Chopra.

1. All-Tech is assessed and shall pay the following fees:

Filing Fee	= \$1,000
<u>Member Fees</u>	= \$3,100
Total Fees	= \$4,100
<u>Less payments</u>	= \$4,850
Balance applied to NASD Case No.01-01182	= \$ 750

2. Kamlesh Chopra is assessed and shall pay the following fees:

<u>Forum Fees</u>	= \$ 750
Total Fees	= \$ 750
<u>Less payments</u>	= \$ 0
Balance Due NASD Dispute Resolution	= \$ 750

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

ARBITRATION PANEL


Joseph C. Bird, Esq.

Timothy J. Currier, Esq.

Chris D. Kontos

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


Joseph C. Bird, Esq., Presiding Chairperson
Public Arbitrator

5/28/04
Signature Date

Timothy J. Currier, Esq., Panelist
Public Arbitrator

Signature Date

Chris D. Kontos, Panelist
Non-Public Arbitrator

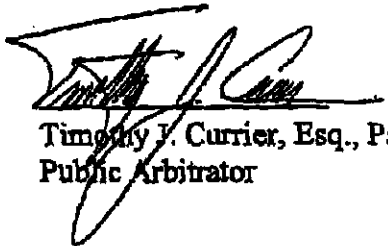
Signature Date

June 1, 2004
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Joseph C. Bird, Esq., Presiding Chairperson
Public Arbitrator

Signature Date



Timothy J. Currier, Esq., Panelist
Public Arbitrator

5-28-04

Signature Date

Chris D. Kontos, Panelist
Non-Public Arbitrator

Signature Date

June 1, 2004

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

Concurring Arbitrators' Signatures

Joseph C. Bird, Esq., Presiding Chairperson
Public Arbitrator

Signature Date

Timothy J. Currier, Esq., Panelist
Public Arbitrator

Signature Date



Chris D. Kontos, Panelist
Non-Public Arbitrator

May 28, 2004
Signature Date

June 1, 2004
Date of Service (For NASD Dispute Resolution office use only)