

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Riad E. Abou-Morad and Florence Abou-Morad

and

01-02441
Southfield, Michigan

Kirkpatrick, Pettis, Smith, Polian, Inc.,
Gregory D. Adams,
Todd J. Dirks, and
Lana T. Shuff

REPRESENTATION OF PARTIES

Riad E. Abou-Morad and Florence Abou-Morad ("Claimants") were represented by Joseph H. Spiegel, Esq., Ann Arbor, Michigan.

Kirkpatrick, Pettis, Smith, Polian, Inc. ("KP"), Gregory D. Adams ("Adams"), and Todd J. Dirks ("Dirks") were represented by Joseph D. Edmonson, Jr., Esq., Foley & Lardner, Washington, DC.

Lana T. Shuff ("Shuff") did not appear.

CASE INFORMATION

The Statement of Claim was filed on or about May 9, 2001. The Submission Agreement of Claimants Riad E. Abou-Morad and Florence Abou-Morad was signed on March 30, 2001.

Joint Statement of Answer was filed by Respondent Kirkpatrick, Pettis, Smith, Polian, Inc., Gregory D. Adams, and Todd J. Dirks on or about August 6, 2001. The Submission Agreement of Respondent Kirkpatrick, Pettis, Smith, Polian, Inc. was signed on August 2, 2001, by Joseph D. Edmonson, Jr. The Submission Agreement of Respondent Gregory D. Adams was signed on July 3, 2001. The Submission Agreement of Respondent Todd J. Dirks was signed on October 16, 2001.

Respondents KP, Adams and Dirks filed a Motion to Dismiss on or about February 6, 2002. Claimants filed their Response to the Motion to Dismiss on or about February 19, 2002.

No Statement of Answer was filed by Respondent Lana T. Shuff.

CASE SUMMARY

Claimants asserted the following causes of action: Liability under 1934 Act anti-fraud provisions; Violations of Sections 12 and 17 of the Securities Act of 1933, as amended; Liability under the 1933 ct anti-fraud provisions; Liability under the Michigan Blue Sky Law; Common law fraudulent misrepresentation, negligent misrepresentation and silent fraud; Liability for breach of common law fiduciary duty; Michigan Consumer Protection Act violations. The causes of action relate to the trading in shares of Creative Host and Bonso Electric International, Inc. stocks.

Unless specifically admitted in their Answer, Respondents KP, Adams and Dirks denied the allegations made in the Statement of Claim and asserted the defenses including the following: Failure to mitigate; Assumption of the risk; Contributory negligence and unjustifiable reliance; and Failure to plead facts showing scienter or required state of mind.

RELIEF REQUESTED

Claimants requested an award in the amount of \$379,754.69, rescission, prejudgment interest; punitive and exemplary damages, attorney fees, costs, expenses, and such other just and equitable relief as the Panel deems necessary and proper.

Respondents requested that the claims asserted against them be denied in its entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Claimant voluntarily dismissed Respondent Lana T. Shuff without prejudice on or about May 24, 2001.

The Panel denied the Motion to Dismiss filed by Respondents KP, Adams and Dirks.

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 originals remain on file with the NASD Dispute Resolution, Inc. (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.) Respondent Kirkpatrick, Pettis, Smith, Polian, Inc., is liable for and shall pay to Claimants, Riad E. Abou-Morad and Florence Abou-Morad, the sum of \$150,000.00 in compensatory damages;
- 2.) Respondent, Todd Dirks, is liable for and shall pay to Claimants, Riad E. Abou-Morad and Florence Abou-Morad, the sum of \$25,000.00 in compensatory damages;
- 3.) The claims against Respondent, Gregory D. Adams, are dismissed with prejudice;

- 4.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 5.) That any relief not specifically enumerated, including punitive and exemplary damages, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain the non-refundable filing fees for each claim:

Initial claim 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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is Kirkpatrick, Pettis, Smith, Polian, Inc.

Member surcharge = \$1,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$2,500.00

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:

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00 = \$ 900.00

Pre-hearing conferences: December 21, 2001 1 session

January 29, 2002 1 session

Two (2) Pre-hearing sessions with Panel x \$1,125.00 = \$2,250.00

Pre-hearing conferences: November 13, 2001 1 session

February 19, 2002 1 session

Seven (7) Hearing sessions x \$1,125.00 = \$7,875.00

Hearing Dates: February 27, 2002 2 sessions

February 28, 2002 2 sessions

March 1, 2002 3 sessions

Total Forum Fees = \$11,025.00

The Arbitration Panel has assessed \$11,025.00 of the forum fees to Kirkpatrick, Pettis, Smith, Polian, Inc.

Fee Summary

Claimants, Riad E. Abou-Morad and Florence Abou-Morad, are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 1,425.00
Refund Due from NASD Dispute Resolution, Inc.	= \$ 1,125.00

Respondent, Kirkpatrick, Pettis, Smith, Polian, Inc., is liable for:

Member Fees	= \$ 4,600.00
Forum Fees	= \$11,025.00
Total Fees	= \$15,625.00
Less payments	= \$ 4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$11,025.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Patrick R. Sughrue, Esq. - Public Arbitrator, Presiding Chair

David L. Rosenthal - Public Arbitrator

William S. Gray, II - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Patrick R. Sughrue, Esq.
Patrick R. Sughrue, Esq.
Public Arbitrator, Presiding Chair

03/17/02
Signature Date

/s/ David L. Rosenthal
David L. Rosenthal
Public Arbitrator

03/15/02
Signature Date

/s/ William S. Gray, II
William S. Gray, II
Non-Public Arbitrator

03/16/02
Signature Date

03/18/02
Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
 Arbitration No. 01-02441
 Award Page 4 of 4

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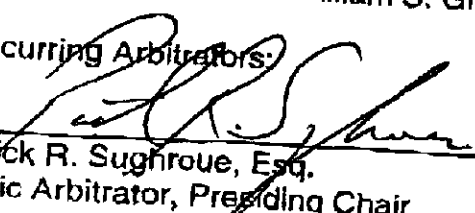
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 William S. Gray, II - Non-Public Arbitrator

Concurring Arbitrators:


 Patrick R. Sughrue, Esq.
 Public Arbitrator, Presiding Chair

3-17-02
 Signature Date

David L. Rosenthal
 Public Arbitrator

Signature Date

William S. Gray, II
 Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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03/15/02 FRI 13:44 FAX

David L. Rosenthal
NASD REGULATION

(248) 647-2930

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NASD Dispute Resolution, Inc.
Arbitration No. 01-02441
Award Page 4 of 4

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David L. Rosenthal - Public Arbitrator
William S. Gray, II - Non-Public Arbitrator

Concurring Arbitrators:

Patrick R. Sughroue, Esq.
Public Arbitrator, Presiding Chair

Signature Date


David L. Rosenthal
Public Arbitrator

MARCH 15, 2002
Signature Date

William S. Gray, II
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 01-02441
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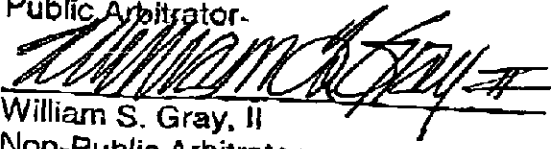
Concurring Arbitrators:

Patrick R. Sughrue, Esq.
Public Arbitrator, Presiding Chair

Signature Date

David L. Rosenthal
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Signature Date


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Signature Date

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