

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Khalil Saghezchi Shirmohammadi, Azar Saghezchi Ghaemmaghami, Sahrab Saghezchi, Soheil Saghezchi and Sohar Saghezchi, Claimants v. Abbas A. Khoshnevisan and Bear, Stearns Securities Corp., Respondents

Case Number: 02-05370

Hearing Site: San Francisco, California

Nature of the Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

John S. Perkins, Esq.
Law Offices of John S. Perkins
San Jose, California

For Respondents:

Philip A. McLeod, Esq.
Keesal, Young & Logan
San Francisco, California

CASE INFORMATION

Initial Statement of Claim filed: September 9, 2002

Amended Statement of Claim filed: September 26, 2003

Claimant Khalil Saghezchi Shirmohammadi's Uniform Submission Agreement signed:
September 4, 2002

Claimant Azar Saghezchi Ghaemmaghami's Uniform Submission Agreement signed:
September 4, 2002

Claimant Sahrab Saghezchi's Uniform Submission Agreement signed: October 8, 2002

Claimant Soheil Saghezchi's Uniform Submission Agreement signed: October 8, 2002

Claimants Sohar Saghezchi's Uniform Submission Agreement signed: October 8, 2002

Joint Statement of Answer filed by Respondents: December 16, 2002

Respondent Abbas A. Khoshnevisan's Uniform Submission Agreement signed:
November 25, 2002

Respondent Bear, Stearns Securities Corp.'s Uniform Submission Agreement signed:
December 16, 2002

CASE SUMMARY

Claimants' Initial Statement of Claim alleged breach of fiduciary duty and negligence. Claimants' allegations involved unspecified securities.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants' Initial Statement of Claim requested compensatory damages in the amount of \$10,100,000.00 and attorney's fees. Claimants' Amended Statement of Claim contained additional damage requests for interest, fees and costs.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, expungement of all reference to the above captioned arbitration from Respondent Abbas A. Khoshnevisan's registration records maintained by the NASD Central Registration Depository ("CRD") and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On June 24, 2003, Claimants' counsel and Claimant Khalil Saghezchi Shirmohammadi signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On June 23, 2003, Claimants' counsel and Claimant Azar Saghezchi Ghaemmaghami signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On June 24, 2003, Claimants' counsel and Claimant Sahrab Saghezchi signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On June 24, 2003, Claimants' counsel and Claimant Soheil Saghezchi signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On June 24, 2003, Claimants' counsel and Claimant Sohar Saghezchi signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waivers of the Claimants shall

constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On September 26, 2003, Claimant filed a Motion to Amend their Initial Statement of Claim pursuant to the NASD Code of Arbitration Procedure Rule 10328(b). On January 15, 2004, the Panel granted the motion.

During closing arguments at the hearing, Respondents request sanctions against Claimants. The panel's ruling on this motion is contained in paragraph 3 of the Award below.

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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are denied in their entirety
2. Respondents Abbas A. Khoshnevisan and Bear, Stearns Securities Corp. are dismissed with prejudice.
3. Respondents' request for sanctions is denied.
4. The parties shall bear their respective costs, including attorney's fees.
5. All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 600.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Bear, Stearns Securities Corp. is a party and the following fees are assessed:

Member Surcharge	= \$ 3,750.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 5,500.00</u>
Total Member Fees	= \$10,000.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel.

The following fees are assessed:

One (1) Pre-hearing conference session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: February 2, 2004 1 session	

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference: September 29, 2003 1 session	

Eight (8) Hearing sessions @ \$1,200.00/session	= \$ 9,600.00
Hearings: March 2, 2004 2 sessions	
March 3, 2004 2 sessions	
March 4, 2004 2 sessions	
March 5, 2004 2 sessions	

Total Forum Fees	= \$11,250.00
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1. The Panel assessed \$5,625.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$5,625.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 5,625.00
Total Fees	= \$ 6,225.00
Less payments	= \$(1,800.00)
Balance Due NASD Dispute Resolution	= \$ 4,425.00

2. Respondent Bear, Stearns Securities Corp. is charged with the following fees and costs:

Member Fees	= \$ 10,000.00
Less payments	= \$(10,000.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Abbas A. Khoshnevisan and Bear, Stearns Securities Corp. are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 5,625.00
Less payments	= \$(0.00)
Balance Due NASD Dispute Resolution	= \$ 5,625.00

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

ARBITRATION PANEL

David Zebker	-	Public Arbitrator, Presiding Chair
Darryl J. Horowitz, Esq.	-	Public Arbitrator
Katherine M. Van Hagan	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



David Zebker
Chair, Public Arbitrator

3/12/04

Signature Date

Darryl J. Horowitz, Esq.
Public Arbitrator

Signature Date

Katherine M. Van Hagan
Non-Public Arbitrator

Signature Date

3/12/04

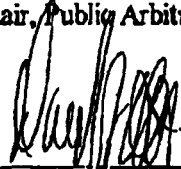
Date of Service

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Darryl J. Horowitz, Esq.	-	Public Arbitrator
Katherine M. Van Hagan	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

David Zebker
Chair, Public Arbitrator



Darryl J. Horowitz, Esq.
Public Arbitrator

Signature Date

3/15/04

Signature Date

Katherine M. Van Hagan
Non-Public Arbitrator

Signature Date

3/12/04

Date of Service

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David Zebker
Chair, Public Arbitrator

Signature Date

Darryl J. Horowitz, Esq.
Public Arbitrator

Signature Date



Katherine M. Van Hagan
Non-Public Arbitrator

3/12/2004

Signature Date

3/12/04

Date of Service