

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Darius Khadem, Claimant v. First American Equities, Inc. nka The Camelot Group, Inc., Everen Securities nka Wachovia, et al, Respondents

Case Number: 02-06191

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

In Propria Persona
Los Angeles, California

For Respondents:

First American Equities, Inc.
(hereinafter referred to as "The Camelot Group, Inc.")

Barry Cohn
The Camelot Group
Ft. Lauderdale, Florida

Everen Clearing Corp.
(hereinafter referred to as "BNY Clearing Services, LLC")

Garrett K. Craig, Esq.
Sidley Austin Brown &
Wood
Los Angeles, California

Wachovia Securities, LLC

Michael J. Abbott, Esq.
Jones, Bell, Abbott, Fleming
& Fitzgerald
Los Angeles, California

Ratnajit P. Barva

In Propria Persona
Cypress, California

William K. Cantrell

In Propria Persona
Granada Hills, California

CASE INFORMATION

Statement of Claim filed: October 9, 2002

Amended Statement of Claim filed: January 29, 2003

Claimant's Uniform Submission Agreement signed: November 27, 2002

Statement of Answer and Motion to Dismiss filed by Respondent The Camelot Group, Inc.:
September 26, 2003

Respondent The Camelot Group, Inc.'s Uniform Submission Agreement signed: April 14, 2003

Statement of Answer and Motion to Dismiss filed by Respondent BNY Clearing Services, LLC:
March 25, 2003

Respondent BNY Clearing Services, LLC's Uniform Submission Agreement signed: March 27,
2003

Statement of Answer and Motion to Dismiss filed by Respondent Wachovia Securities, LLC:
January 17, 2003

Statement of Answer filed by Respondent Ratnajit P. Barva: January 15, 2003

CASE SUMMARY

Claimant alleged errors in charges, negligence, failure to supervise, failure to execute trades, breach of fiduciary duty, misrepresentation, and manipulation of account records relating to the purchase of Informix Corporation stock in Claimant's brokerage account.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant's Statement of Claim and Amended Statement of Claim requested \$40,497.00 in compensatory damages, interest, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Wachovia Securities, LLC, Ratnajit P. Barva and William K. Cantrell did not file with the NASD Dispute Resolution a properly executed submission agreement but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

On December 2, 2002, Claimant Darius Khadem 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 April 15, 2003, Respondent The Camelot Group, Inc. 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 April 2, 2003, Respondent BNY Clearing Services, LLC 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 January 29, 2003, Claimant filed an Amended Statement of Claim pursuant to NASD Code of Arbitration Procedure ("the Code") Rule 10328(a).

On February 5, 2003, Claimant voluntarily withdrew Respondent Wachovia Securities, LLC as a Respondent from the arbitration proceeding because it was named in error in Claimant's Statement of Claim.

On April 16, 2003, Claimant dismissed without prejudice Respondents Ratnajit P. Barva and William K. Cantrell.

On August 8, 2003, the Panel, after reviewing the parties' written submissions and hearing oral argument, issued an order denying Respondent BNY Clearing Services, LLC's Motion to Dismiss.

On September 29, 2003, Claimant dismissed with prejudice Respondent BNY Clearing Services, LLC pursuant to a confidential settlement agreement.

At the October 1, 2003 evidentiary hearing, the Panel, after reviewing the parties' written submissions and hearing oral argument, issued an order granting Respondent The Camelot Group, Inc.'s Motion to Appear Telephonically At The Arbitration Hearing.

At the October 1, 2003 evidentiary hearing, the Panel, after reviewing the parties' written submissions and hearing oral argument, issued an order denying Respondent The Camelot Group, Inc.'s Motion to Dismiss.

At the October 1, 2003 evidentiary hearing, the Panel, after reviewing the parties' written submissions and hearing oral argument, issued an order denying Claimant's Motion for Default Judgment.

At the October 1, 2003 evidentiary hearing, Claimant made a Motion to Compel Respondent The Camelot Group, Inc. to Produce Documents. After oral argument, Claimant voluntarily withdrew the Motion.

On October 2, 2003, Claimant filed a post-hearing Motion For Costs requesting that all costs related to the arbitration be assessed against Respondent The Camelot Group, Inc. On October 7, 2003, Respondent The Camelot Group, Inc. filed an opposition to the Motion. The Panel denied the Motion.

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, and the post-hearing submissions the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent The Camelot Group, Inc. is liable to and shall pay Claimant the sum of \$16,300.00 in compensatory damages.
- 2) Respondent The Camelot Group, Inc. is liable to and shall pay Claimant interest in the amount of 10% per annum from the date of service of this Award until the date payment of this Award is made in full.
- 3) Respondent The Camelot Group, Inc. is liable to and shall pay Claimant \$131.00 for costs incurred by Claimant.
- 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 = \$ 175.00

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 firms BNY Clearing Services, LLC and The Camelot Group, Inc. are parties and the following fees are assessed:

BNY Clearing Services, LLC

Member Surcharge = \$ 875.00

Pre-Hearing Process Fee = \$ 750.00

Hearing Process Fee = \$1,000.00

Total Member Fees = \$ 2,625.00

The Camelot Group, Inc.

Member Surcharge = \$ 875.00

Pre-Hearing Process Fee = \$ 750.00

Hearing Process Fee = \$1,000.00

Total Member Fees = \$ 2,625.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the Panel or Chairperson, including a pre-hearing conference, that lasts four (4) hours or less. The following fees are assessed:

(2) Two Pre-hearing conference sessions with the Panel @ \$600.00/session = \$1,200.00

Pre-hearing conferences: June 27, 2003 1 session

August 8, 2003 1 session

(2) Two Hearing sessions @ \$600.00/session = \$1,200.00

Hearings: October 1, 2003 2 sessions

Total Forum Fees = \$2,400.00

1. The Panel assessed \$1,800.00 of the forum fees to Respondent The Camelot Group, Inc.
2. The Panel assessed \$600.00 of the forum fees to Respondent BNY Clearing Services, LLC.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Claimant requested copies of audio transcripts	= \$ 30.00
The Camelot Group, Inc. requested photocopy service:	= \$ 140.00

Fee Summary

1. Claimant Darius Khadem is charged with the following fees and costs:

Initial Filing Fee	= \$ 175.00
<u>Administrative Costs</u>	= \$ 30.00
Total Fees	= \$ 205.00
Waiver of filing fee granted by NASD	= \$ (175.00)
<u>Less payments</u>	= \$ (30.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent BNY Clearing Services, LLC is charged with the following fees and costs:

Member Fees	= \$ 2,625.00
Forum Fees	= \$ 600.00
<u>Less payments</u>	= \$(2,625.00)
Balance Due NASD Dispute Resolution	= \$ 600.00

3. Respondent The Camelot Group, Inc. is charged with the following fees and costs:

Member Fees	= \$ 2,625.00
Forum Fees	= \$ 1,800.00
<u>Administrative Costs</u>	= \$ 140.00
Total Fees	= \$ 4,565.00
<u>Less payments</u>	= \$(2,625.00)
Balance Due NASD Dispute Resolution	= \$ 1,940.00

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

Douglas L. Stenzel, Esq.	-	Public Arbitrator, Presiding Chair
Elliott Finkel, Esq.	-	Public Arbitrator
Blaine Smith	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Douglas L. Stenzel, Esq.
Chair, Public Arbitrator

Signature Date

10-17-2003

[Signature]

Elliott Finkel, Esq.
Public Arbitrator

Signature Date

Blaine Smith
Non-Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

Douglas L. Stenzel, Esq.	-	Public Arbitrator, Presiding Chair
Elliott Finkel, Esq.	-	Public Arbitrator
Blaine Smith	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Douglas L. Stenzel, Esq.
Chair, Public Arbitrator

Signature Date

Elliott Finkel, Esq.
Public Arbitrator

Signature Date



Blaine Smith
Non-Public Arbitrator

10-20-03
Signature Date

October 21, 2003
Date of Service

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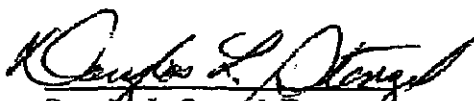
ARBITRATION PANEL

Douglas L. Stenzel, Esq.
Elliott Finkel, Esq.
Blaine Smith

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Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


Douglas L. Stenzel, Esq.
Chair, Public Arbitrator

10/21/03
Signature Date

Elliott Finkel, Esq.
Public Arbitrator

Signature Date

Blaine Smith
Non-Public Arbitrator

Signature Date

Date of Service