

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Vasken Keledjian, Claimant v. Vanguard Capital, Inc. and Ara Ishkhanian, Respondents

Case Number: 03-02337

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

James E. Judge, Esq.
Vanasco Genelly & Miller
Chicago, Illinois

For Respondents:

Jeffrey S. Kob, Esq.
Miller Milove & Kob
San Diego, California

CASE INFORMATION

Statement of Claim filed: March 27, 2003

Claimant's Uniform Submission Agreement signed: March 25, 2003

Joint Statement of Answer filed by Respondents: May 27, 2003

Respondent Vanguard Capital, Inc.'s Uniform Submission Agreement signed: January 28, 2004

Respondent Ara Ishkhanian's Uniform Submission Agreement signed: January 28, 2004

CASE SUMMARY

Claimant alleged breach of contract, breach of fiduciary duty, unsuitability, unauthorized trading, fraud, negligent misrepresentation, violation of state securities laws and failure to supervise. Claimant's allegations concerned Respondent Ara Ishkhanian's alleged unauthorized purchase of QQQ Index stocks using Claimant's margin account.

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

RELIEF REQUESTED

Claimant requested \$180,000.00 in compensatory damages, \$500,000.00 in punitive damages, \$5,400.00 in pre-judgment interest and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On April 23, 2003, Claimant and Claimant's counsel 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 waiver of the Claimant constitutes and operates 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.

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) Respondent Ara Ishkhanian is liable to and shall pay Claimant Vasken Keledjian the sum of \$15,791.38 in compensatory damages.
- 2) Respondents Vanguard Capital, Inc. and Ara Ishkhanian are jointly and severally liable to and shall pay Claimant Vasken Keledjian the sum of \$375.00 as reimbursement for filing costs.
- 3) With the exception of paragraph 2 of this Award, the parties shall bear their respective costs, including attorney's fees.
- 4) 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	= \$ 375.00
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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 Vanguard Capital, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$2,250.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$4,000.00
Total Member Fees	= \$7,000.00

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 or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session(s) with the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference: September 24, 2003	1 session
Six (6) Hearing sessions @ \$1,200.00/session	= \$7,200.00
Hearings: January 26, 2004	2 sessions
January 27, 2004	2 sessions
January 28, 2004	2 sessions
Total Forum Fees	= \$8,400.00

The Panel assessed the entire balance of the forum fees, in the amount of \$8,400.00 jointly and severally to Respondents Vanguard Capital, Inc. and Ara Ishkhanian.

Fee Summary

1. Claimant Vasken Keledjian is charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Less payments</u>	<u>= \$(1,575.00)</u>
Refund Due from NASD Dispute Resolution	= \$(1,200.00)

2. Respondent Vanguard Capital, Inc. is charged with the following fees and costs:

Member Fees	= \$ 7,000.00
<u>Less payments by Ara Ishkhanian</u>	<u>= \$(5,750.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,250.00

3. Respondents Vanguard Capital, Inc. and Ara Ishkhanian are charged jointly and severally with the following fees and costs:

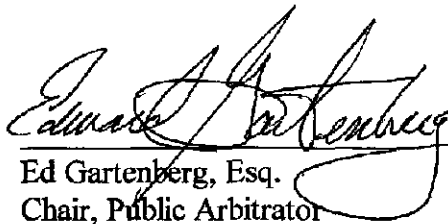
<u>Forum Fees</u>	<u>= \$ 8,400.00</u>
Balance Due NASD Dispute Resolution	= \$ 8,400.00

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

<i>Ed Gartenberg, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Michael Leymon Coffey, MPH</i>	-	<i>Public Arbitrator</i>
<i>Michael W. Burnett, CFA</i>	-	<i>Non-Public Arbitrator</i>


Concurring Arbitrators' Signatures


Ed Gartenberg, Esq.
Chair, Public Arbitrator

1-28-04
Signature Date


Michael Leymon Coffey, MPH
Public Arbitrator

1-28-2004
Signature Date


Michael W. Burnett, CFA
Non-Public Arbitrator

1-28-2004
Signature Date

1/28/04
Date of Service