

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

David G. Peregrin

vs.

Case Number: 04-06892
Hearing Site: Chicago, Illinois

Names of Respondents

Milestone Group Management, LLC
and William E. Kassar, Jr.

NATURE OF THE DISPUTE

Customer vs. Terminated Member and Associated Person

REPRESENTATION OF PARTIES

David G. Peregrin ("Claimant") was represented by James A. McGurk, Esq., Law Offices of James A. McGurk, PC, Chicago, Illinois.

Milestone Group Management, LLC ("Milestone") was represented by M. David Sayid, Esq., Sayid & Associates, LLP, New York, New York until his Notice of Withdrawal was filed on or about March 28, 2005.

William E. Kassar, Jr. ("Kassar") was represented by Robert Bertsch, Esq., Bertsch & Associates, P.C., New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about September 22, 2004. The Submission Agreement of Claimant, David G. Peregrin, was signed on or about September 19, 2004.

A Statement of Answer was filed by Respondent, Milestone Group Management, LLC on or about December 6, 2004.

A Statement of Answer and Motion for a More Definitive Statement was filed by Respondent, William E. Kassar, Jr., on or about January 6, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; negligence; violation of NASD rules of fair practice; and failure to supervise. Claimant alleged that Respondents made various trades in Claimant's account for the purpose of generating commissions. Claimant alleged that the investments made were risky and speculative stocks, such as ROXI, which according to Claimant were unsuitable and caused substantial losses in his account.

Unless specifically admitted in its Answer, Milestone Group Management, LLC, denied the allegations made in the Statement of Claim.

Unless specifically admitted in his Answer, Respondent, William E. Kassar, Jr., denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; Claimant was suitable for the trades engaged in by Respondents based on the information Claimant provided to Respondents; there is no private right of action for violation of NASD rules; and Kassar owed no fiduciary duty to Claimant pursuant to Illinois state law.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 160,000.00
Interest	Unspecified
Attorneys' Fees	Unspecified
Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent William E. Kassar, Jr., requested that the claims asserted against him be denied in their entirety and that he be awarded his costs and attorneys' fees.

Respondent, Milestone Group Management, LLC, requested that the claims asserted against him be denied in their entirety and that he be awarded his costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Respondent, William E. Kassar, Jr., did not file with the NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, appeared at the hearing, is bound by the determination of the Panel on all issues submitted.

Respondent, Milestone Group Management, LLC, did not file with the NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

On or about September 12, 2005, Respondent, Milestone Group Management, LLC's membership with NASD was terminated.

At the start of the hearing, Respondent, William Kassar, Jr., orally moved for the Panel to dismiss all four counts in the Statement of Claim on the grounds that no relief was requested by Claimant against Respondent, William E. Kassar, Jr. Claimant objected and asked for the Panel to grant leave so that he could amend his Statement of Claim. After deliberation, the Panel granted Respondent, William E. Kassar, Jr.'s, Motion to Dismiss without prejudice.

Also at the hearing, Claimant asked the Panel to dismiss all claims asserted against Milestone Group Management, LLC. The Panel granted Claimant's Motion to Dismiss and dismissed Respondent, Milestone Group Management, LLC, with prejudice.

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.

AWARD

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

- 1) Claimant's claims asserted against Respondent, William E. Kassar, Jr., are dismissed without prejudice. Claimant may file a new arbitration proceeding to the extent permitted by applicable law;
- 2) Claimant's claims asserted against Respondent, Milestone Group Management, LLC, are dismissed with prejudice;
- 3) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee 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 person at the time of the events giving rise to the dispute. In this matter, the member firm is Milestone Group Management, LLC.

Member surcharge = \$ 1,700.00

Pre-hearing process fee = \$ 750.00

Adjournment Fees

Adjournments granted during these proceedings:

October 13-14, 2006, Adjournment requested by Respondent, William E. Kassar, Jr.
(Fees Assessed to Claimant for lack of document production) = \$ 1,125.00

February 27-28, 2006, Adjournment requested by Respondent, William E. Kassar, Jr.
(Fee Waived by the Panel) = \$ 1,500.00

May 17-19, 2006, Adjournment requested by Respondent, William E. Kassar, Jr.
(Fee Assessed by the Panel) = \$ 1,500.00

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

February 27-28, 2006, Adjournment requested by Respondent, William E. Kassar, Jr.
Adjournment requested February 23, 2006 – (Waived by the Panel) = \$ 300.00

May 17-19, 2006, Adjournment requested by Respondent, William E. Kassar, Jr.
Adjournment requested May 15, 2006 – (Fee Assessed by the Panel) = \$ 300.00

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators that last four (4) hours or less. Fees associated with these proceedings are:

Four (4) Pre-hearing sessions with Panel x \$ 1,125.00		= \$ 4,500.00
Pre-hearing conferences:		
June 10, 2005	1 session	
July 20, 2006	1 session	
September 14, 2006	1 session	
September 22, 2006	1 session	
Two (2) Hearing sessions x \$ 1,125.00		= \$ 2,250.00
Hearing Dates:		
September 18, 2006	1 session	
September 25, 2006	1 session	
Total Forum Fees		= \$ 6,750.00

The Panel has assessed \$ 3,375.00 of the forum fees to David G. Peregrin.

The Panel has assessed \$ 3,375.00 of the forum fees to William E. Kassar, Jr.

FEE SUMMARY

Claimant, David G. Peregrin, is liable for:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 3,375.00
Total Fees	= \$ 4,800.00
Less payments	= \$ 2,125.00
Balance Due NASD Dispute Resolution	= \$ 2,675.00

Respondent, Milestone Group Management, LLC, is liable for:

Member Fees	= \$ 2,450.00
Total Fees	= \$ 2,450.00
Less payments	= \$ 2,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, William E. Kassar, Jr., is liable for:

Three-Day Cancellation Fee	= \$ 300.00
Adjournment Fee	= \$ 1,500.00
Forum Fees	= \$ 3,375.00
Total Fees	= \$ 5,175.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 5,175.00

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

ARBITRATION PANEL

Robert W. Edler, Esq. - Public Arbitrator, Presiding Chair
Kenneth J. Good, Esq. - Public Arbitrator
Michael T. Gedzun - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Robert W. Edler, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Kenneth J. Good, Esq.
Public Arbitrator

Signature Date

Michael T. Gedzun
Non-Public Arbitrator

Signature Date

4/29/06
Date of Service (For NASD office use only)

Respondent, William E. Kassir, Jr., is liable for:

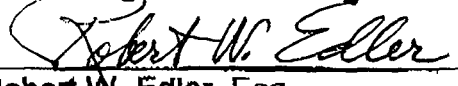
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