

9901017

AWARD
NASD REGULATION, INC.

In the Matter of the Arbitration Between

Name of Claimants

Rami Kichi

Mahmoud Kichi

and

Case Number
96-03697

Name of Respondents

Prudential Securities, Inc.

Wheat First Securities, Inc.

Michael Raissis

Michael Kerrigan

REPRESENTATION OF PARTIES

For Rami Kichi and Mahmoud Kichi ("Claimants") appeared G. Alexander Novak, Esq., of Novak & Juhasz, located in New York, New York.

Prudential Securities, Inc settled this case prior to the hearing.

Wheat First Securities, Inc. settled this case prior to the hearing.

Michael Raissis settled this case prior to the hearing.

Michael Kerrigan ("Respondent") did not appear.

CASE INFORMATION

Claimants tiled the Statement of Claim on June 10, 1996.

Claimant Rami Kichi signed the Uniform Submission Agreement on September 18, 1996.

For Claimant Mahmoud Kichi, Rami Kichi signed the Uniform Submission Agreement as attorney in fact on April 29, 1996.

Respondent tiled the Statement of Answer on January 20, 1997.

Respondent signed the Uniform Submission Agreement on January 15, 1997.

HEARING INFORMATION

Pre-Hearing Conference:	May 1, 1997	One Session
	January 23, 1998	One Session
	February 26, 1998	One Session
	June 3, 1998	One Session
	July 6, 1998	One Session

Hearing Dates:	October 21, 1998	One Session
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The hearings were held at NASD Regulations, Inc., Office of Dispute Resolution, located in New York, New York.

CASE SUMMARY

Claimants alleged that they invested money with Raissis under the pretense that Raissis would invest the money in safe investments. Specifically, Claimants alleged that Raissis advised Rami Kichi ("Rami") that he could invest his money safely. Claimant alleged that Respondent insured him that Rami's money would be invested in overnight deposits or bank certificates of deposits. An account was opened in Claimants' respective names. Claimants alleged that Raissis placed Claimants funds in unsuitable securities, that Raissis engaged in fraudulent activity, that Claimants accounts were churned, and that Raissis executed unauthorized trades. Claimants alleged that Respondent was liable in that Respondent was Raissis' supervisor and failed to properly supervise Raissis.

Respondent denied the allegations of wrongdoing alleged in the Statement of Claim. Specifically, Respondent maintained that he did not effectuate any transactions in Claimants respective accounts at either Wheat First Securities, Inc., or Prudential Securities, Inc. Respondent maintained that his role as branch manager did not impute liability. Furthermore, Respondent maintained that Claimants failed to prove damages in the amount of \$943,950.00.

RELIEF REQUESTED

Claimants requested:

1. Compensatory damages in the amount of \$185,000.00, plus interest in the amount of \$27,750.
2. Tremble damages, under Florida law, in the amount of \$555,000.00.
3. Attorney Fees in the amount of \$75,000.00.

4. Arbitration cost in the amount of \$1,200.00.
5. Loss of business opportunity in the amount of \$100,000.00.

Kerrigan requested:

1. That the Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

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 NASD Regulation. Inc., Office of Dispute Resolution.

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. Kerrigan shall pay to Claimants a total amount of \$53,500.00 in compensatory damages and interest.
2. Claimants' request for tremble damages, under Florida law, in the amount of \$555,000.00 is denied.
3. Claimants' request for attorney Fees in the amount of \$75,000.00 is denied.
4. Claimants' request for arbitration cost in the amount of \$1,200.00 is denied, except as provided for in the Forum Fee section of the Award.
5. Claimants' request for loss of business opportunity in the amount of \$100,000.00 is denied.
6. Any other request not specified herewith is denied.

OTHER COST

Pursuant to Rule 10333 of the NASD Code of Arbitration Procedure ("Code") Prudential Securities, Inc., was assessed a member surcharge in the amount of \$500.00, which has not been paid.

Pursuant to Rule 10333 of the Code Wheat First Securities, Inc., was assessed a member surcharge in the amount of \$500.00, which has been paid.

FORUM FEES

Pursuant to Rule 10332 of the NASD Code of Arbitration Procedure, the arbitrators have determined that the NASD will retain the \$120.00 filing fee deposited by the Claimants.

The arbitrators have assessed the following forum fees:

2 Pre-Hearing Conference	x	\$ 300.00	=	\$ 600.00
3 Pre-Hearing Conference	x	\$1,000.00	=	\$3,000.00
1 Hearing Sessions	x	\$1,000.00	=	<u>\$1,000.00</u>
Total Forum Fees				\$4,600.00

Claimants have been assessed, joint and severally, \$2,300.00 representing one half of the forum fees assessed. Claimants previously deposited \$1,000.00 with NASD Regulation, Inc., therefore. Claimants shall pay to NASD Regulation, Inc., \$1,300.00 in satisfaction of forum fees.

Respondent has been assessed \$2,300.00 representing one half of the forum fees assessed. Therefore, Respondent shall pay to NASD Regulation, Inc., \$2,300.00 in satisfaction of outstanding forum fees.

Fees are payable to NASD Regulation, Inc.

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ARBITRATION PANEL

Idelle A. Howitt, Esq. - Public Chairperson
Harvey I. Jurist - Public Panelist
Robina Fedora Asti - Industry Panelist

ARBITRATOR'S SIGNATURE

I, Idelle A. Howitt, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Idelle A. Howitt, Esq.
Public Chairperson

Date Decision Served by NASD Regulation, Inc.

January 14, 1999

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ARBITRATION PANEL

Idelle A. Howitt, Esq. - Public Chairperson
Harvey I. Jurist - Public Panelist
Robina Fedora Asti - Industry Panelist

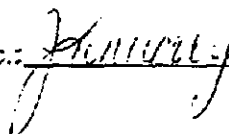
ARBITRATOR'S SIGNATURE

I, Harvey I. Jurist, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Harvey I. Jurist
Public Panelist

Date Decision Served by NASD Regulation. Inc.:

 14, 1999

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ARBITRATION PANEL

Idelle A Howitt, Esq. • Public Chairperson
Harvey I. Jurist • Public Panelist
Robina Fedora Asti • Industry Panelist

ARBITRATOR'S SIGNATURE

I, Robina Fedora Asti, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Robina Fedora Asti

Robina Fedora Asti
Industry Panelist

Date Decision Served by NASD Regulation, Inc.:

January 14, 1999