

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Ali and Pamela Pakzad, Claimants v. Dalton Kent Securities Group, Inc., Alan Elkes, Glenn Beyer, Justyn Feldman, John Vandy, and Howard Nifoussi, Respondents.

Case Number: 99-00008

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

Steve A. Buchwalter, Esq.
Law Offices of Steve A. Buchwalter
Encino, California

For Respondents Dalton Kent Securities Group, Inc.,
Alan Elkes, Glenn Beyer, Justyn Feldman, and
John Vandy:

R. Jeffrey More, Esq.
Coleman, Rhine & Goodwin, LLP
New York, New York

For Respondent Howard Nifoussi:

Adam Silverstein, Esq.
Law Offices of Adam Silverstein, P.C.
New York, New York

CASE INFORMATION

Statement of Claim filed:

December 29, 1998

Claimants' Uniform Submission Agreement signed:

December 19, 1998

Joint Statement of Answer and Counterclaim filed by
Respondents Dalton Kent Securities Group, Inc., Alan Elkes,
Glenn Beyer, Justyn Feldman, and John Vandy:

March 23, 1999

Respondent Dalton Kent Securities Group, Inc.'s
Uniform Submission Agreement signed:

March 22, 1999

Respondent Alan Elkes' Uniform Submission
Agreement signed:

March 22, 1999

Claimants' Statement of Answer to Counterclaim by Dalton Kent Securities Group, Inc., Alan Elkes, Glenn Beyer, and John Vandy's Amended Statement of Claim	March 30, 1999
Respondent Glenn Beyer's Uniform Submission Agreement signed:	March 22, 1999
Respondent Justyn Feldman's Uniform Submission Agreement signed:	March 22, 1999
Respondent John Vandy's Uniform Submission Agreement signed:	March 22, 1999
Statement of Answer and Counterclaim filed by Respondent Howard Nifoussi:	April 7, 1999
Respondent Howard Nifoussi's Uniform Submission Agreement signed:	March 24, 1999
Claimants' Statement of Answer to Nifoussi's Counterclaim and Amended Statement of Claim filed:	April 13, 1999
Claimants' Hearing Brief	March 17, 2000

CASE SUMMARY

Claimants alleged fraud by misrepresentation and omission, violation of California Corporations Code §25400, churning, suitability, negligence, failure to supervise, and breach of fiduciary duty. Claimants' allegations arose out of the purchase and/or sale of the following securities: Dell Computer, NetCom On Line Communications, ESS Technology, Fore Systems, Teletech Holdings, Ascend Communications, American Champion Entertainment, Applied Materials, Compaq Computer, Long Beach Financial, Microsoft, Psinet, and Cendant Corporation.

In their Amended Statement of Claim, Claimants added an allegation of abuse of process.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and Amended Statement of Claim.

In their respective Counterclaims, Respondents/Counter-Claimants also alleged liability for existing deficit/debit balance in Claimants' account.

Claimants/Counter-Respondents denied the allegations of wrongdoing set forth in the Respondents/Counter-Claimants' Counterclaims.

RELIEF REQUESTED

Claimants requested compensatory damages of \$106,782.00, punitive damages, interest, attorney's fees, disgorgement of commissions, and reimbursement for costs of arbitration.

Respondents Dalton Kent Securities Group, Inc., Alan Elkes, Glenn Beyer, Justyn Feldman, and John Vandy requested dismissal of the Claimants' Statement of Claim in its entirety, attorney's fees, and reimbursement for costs of arbitration.

Respondent Howard Nifoussi requested dismissal of the Claimants' Statement of Claim in its entirety.

Counter-Claimants/Respondents, in their respective Counterclaims, requested \$ 7,800.83 in compensatory damages.

Claimants/Counter-Respondents requested dismissal of Respondents/Counter-Claimants' Counterclaims in their entirety, and sought sanctions for abuse of process.

OTHER ISSUES CONSIDERED AND 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.

AWARD

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

- 1) All of the Claimants' Claims are denied in their entirety.
- 2) All claims in Respondent's Counterclaims are denied in their entirety.
- 3) Each party shall bear its own cost of arbitration, including attorney's fees.
- 4) All other relief requested and not granted is expressly denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. has received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 200.00
Counterclaim by Respondent Howard Nifoussi	= \$ 500.00
Counterclaim by Respondent Dalton Kent Securities Group, Inc.	= \$ 500.00

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 event of the dispute. Accordingly, the member firm Dalton Kent Securities Group, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 2,500.00
Total Member Fee	\$ 4,600.00

Adjournment Fees

The following adjournment fees are assessed:

Hearing Dates, March 30 - 31, 2000, adjournment requested by Howard Nifoussi, Panel assessed fee to Claimants	= \$ 750.00
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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:

1 Pre-hearing conference session with a single arbitrator @ \$ 300.00/session			= \$ 300.00
Pre-hearing conference:	March 7, 2000	1 session	
1 Pre-hearing conference session with the Panel @ \$ 750.00/session			= \$ 750.00
Pre-hearing conference:	October 29, 1999	1 session	

7 Hearing sessions @ \$ 750.00/session	= \$ 5,250.00
Hearings: March 28, 2000 2 sessions	
March 29, 2000 2 sessions	
October 25, 2000 3 sessions	
Total Forum Fees	= \$ 6,300.00

1. The Arbitration Panel has assessed \$ 6,300 of the forum fees to Dalton Kent Securities Group, Inc.

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.

Ali and Pamela Pakzad, requested: Tape Duplication	= \$ 45.00
Dalton Kent Securities Group, Inc., requested: Tape Duplication	= \$ 45.00

Fee Summary

1. Claimants Ali and Pamela Pakzad, are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 200.00
Adjournment fee	= \$ 750.00
<u>Administrative Costs</u>	= \$ 45.00
Total Fees	= \$ 995.00
<u>Less payments</u>	= \$(995.00)
Balance Due NASD Regulation, Inc.	= \$ 0


2. Respondent, Dalton Kent Securities Group, Inc., is charged with the following fees and costs:

Member Fees	= \$ 4,600.00
Counterclaim Filing Fees	= \$ 500.00
Forum Fees	= \$ 6,300.00
<u>Administrative Costs</u>	= \$ 45.00
Total Fees	= \$11,445.00
<u>Less payments</u>	= \$(4,645.00)
Balance Due NASD Regulation, Inc.	= \$ 6,800.00

3. Respondent, Howard Nifoussi, is charged is with following fees and costs:
- | | |
|----------------------------|----------------------|
| Counterclaim filing fee | = \$ 500.00 |
| <u>Less payment</u> | <u>= \$ (750.00)</u> |
| Refund Due Nifoussi | = \$ (250.00) |

All balances are payable to NASD Regulation, Inc. and are due within 30 days of the Award's date of service.

Concurring Arbitrators' Signatures


Jean Elliott, Esq.
Chair, Public Arbitrator

11-7-00
Signature Date

Cathleen M. Cobb
Public Arbitrator

Signature Date

Elwood A. Crandall
Industry

Signature Date

November 7, 2000
Date of Service

Concurring Arbitrators' Signatures

J. Jean Elliott, Esq.
Chair, Public Arbitrator

Signature Date

Cathleen M. Cobb
Cathleen M. Cobb
Public Arbitrator

November 4, 2000
Signature Date

Elwood A. Crandall
Industry

Signature Date

November 7, 2000
Date of Service

Concurring Arbitrators' Signatures

J. Jean Elliott, Esq.
Chair, Public Arbitrator

Signature Date

Cathleen M. Cobb
Public Arbitrator

Signature Date

E. C. Crandall
Elwood A. Crandall
Industry

11/04/00
Signature Date

November 7, 2000
Date of Service