

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Mohsen Eshtehardi and Maverick Investments, Inc., Claimants vs. Providential Securities, Inc., Southwest Securities, Inc., Henry Fahman, Theodore Fahman, Timothy Fahman, Myan Thi Doan, and Tina T. Phan, Respondents

Case Number: 99-01874

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants Mohsen Eshtehardi and
& Maverick Investments, Inc.

Paul W. Thomas, Esq.
Paul W. Thomas & Associates
Carlsbad, California

For Respondent Southwest Securities, Inc.

Timothy J. Goodwin Esq.
Rodney Acker, Esq.
Jenkins & Gilchrist
Dallas, Texas

For Respondents Providential Securities, Inc., and
Henry Fahman

Henry Fahman
Providential Securities Inc.
Fountain Valley, California

For Respondent Theodore Fahman

Theodore Fahman
In Pro Per
Fountain Valley, California

CASE INFORMATION

Statement of Claim filed: April 21, 1999

First Amended Statement of Claim filed: May 13, 1999

Second Amended Statement of Claim filed: September 29, 1999

Claimant Mohsen Eshtehardi's Uniform Submission Agreement signed: May 18, 1999

Claimant Maverick Investments, Inc.'s Uniform Submission Agreement signed: May 18, 1999

Statement of Answer filed by Respondents Southwest Securities, Inc.: November 17, 1999

Amended Statement of Answer filed by Respondent Southwest Securities, Inc.: November 17, 1999

Joint Statement of Answer filed by Respondents Providential Securities, Inc., Henry Fahman, Theodore Fahman, Timothy Fahman, Myan Thi Doan, and Tina T. Phan: July 30, 1999

Respondent Southwest Securities Inc.'s Uniform Submission Agreement signed: March 17, 2000

Respondent Providential Securities Inc.'s Uniform Submission Agreement signed: January 28, 2000

Respondent Henry Fahman, Uniform Submission Agreement signed: January 28, 2000

Respondent Theodore Fahman Uniform Submission Agreement signed: January 28, 2000

Respondent Timothy Fahman Uniform Submission Agreement signed: January 28, 2000

Respondent Myan Thi Doan Uniform Submission Agreement signed: January 28, 2000

Respondent Tina T. Phan Uniform Submission Agreement signed: January 28, 2000

CASE SUMMARY

Claimants alleged omission, misrepresentation, forgery, gross negligence, breach of fiduciary duty, and failure to supervise. Claimants also alleged unauthorized transfer of funds, excessive commissions, violation of NASD Rules, and violation of Regulation T of the Federal Rules Title 12.

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

RELIEF REQUESTED

Claimants Mohsen Eshtehardi and Maverick Investments, Inc. requested \$305,000.00 and \$120,000.00 in compensatory damages, respectively. Claimants also requested punitive damages of \$2,000,000.00, interest, and sought reimbursement for costs of arbitration and attorney's fees.

All Respondents requested dismissal of the Claimants' Statements of Claim in its entirety, and sought reimbursement of arbitration costs and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On October 3, 2000, the Claimants notified NASD Dispute Resolution, Inc. that all claims against Respondents Timothy Fahman, Myan Thi Doan, and Tina T. Phan were withdrawn without prejudice.

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 Providential Securities, Inc., is liable to and shall pay Claimant Moshen Eshtehardi \$8,500.00 in compensatory damages.
- 2) Respondent Providential Securities, Inc. is liable to and shall pay Claimant Maverick Investments, Inc. \$20,500.00 in compensatory damages.
- 3) Respondent Southwest Securities, Inc. is liable to and shall pay Claimant Moshen Eshtehardi \$8,500.00 in compensatory damages.
- 4) Respondent Southwest Securities, Inc. is liable to and shall pay Claimant Maverick Investments, Inc. \$20,500.00 in compensatory damages.
- 5) Claimants' request for punitive damages is denied.
- 6) Claimants' request for pre-award interest is denied.
- 7) Each party shall bear its own costs, including attorney's fees.
- 8) Respondent Southwest Securities, Inc.'s Motion for Sanctions is granted. Claimant Moshen Eshtehardi is liable to and shall pay Respondent Southwest Securities, Inc. \$250.00.
- 9) Respondent Southwest Securities, Inc.'s Motion for Sanctions is granted. Claimant Maverick Investments, Inc. is liable to and shall pay Respondent Southwest Securities, Inc. \$250.00.
- 10) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 300.00
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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 event of the dispute. Accordingly, the member firm Providential Securities, Inc., is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 4,500.00</u>
Total Member Fees	= \$ 6,600.00

The member firm Southwest Securities, Inc., is a party and the following fees are assessed:

Member Surcharge	= \$ 2,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 4,500.00</u>
Total Member Fees	= \$ 7,600.00

Forum Fees and Assessments

The Arbitrator/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:

One Pre-hearing conference session with a single arbitrator @ \$450.00/session	= \$ 450.00
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Pre-hearing conference:	Date	May 10, 2000	1 session
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One Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$ 1,200.00
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Pre-hearing conference:	Date	March 8, 2000	1 session
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Eight Hearing sessions @ \$1,200.00/session	= \$ 9,600.00
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Hearings:	Date	October 16, 2000	2 sessions
		October 17, 2000	2 sessions
		October 18, 2000	2 sessions
		October 19, 2000	2 sessions

Total Forum Fees	= \$11,250.00
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1. The Panel assessed \$ 3,937.50 of the forum fees to Maverick Investments, Inc.

2. The Panel assessed \$ 1,687.50 the forum fees to Mohsen Eshtehardi.
3. The Panel assessed \$ 2,812.50 of the forum fees to Southwest Securities, Inc.
4. The Panel assessed \$ 2,812.50 of the forum fees jointly and severally to Providential Securities, Inc., Henry Fahman and Theodore Fahman.

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 other requests.

Claimants requested service: Photocopies =\$ 17.50

Fee Summary

1. Claimants Mohsen Eshtehardi and Maverick Investments, Inc. are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Administrative Costs</u>	<u>= \$ 17.50</u>
Total Fees	= \$ 317.50
<u>Less Payments</u>	<u>= \$ (1,425.00)</u>
Claimants' Credit Balance	= \$ (1,107.50)
2. Claimant Mohsen Eshterhardi is charged with the following fees and costs:

Forum Fees	= \$ 1,687.50
<u>Less 50% of Claimants' Credit Balance</u>	<u>= \$ (553.75)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,133.75
3. Claimant Maverick Investments, Inc. is charged with the following fees and costs:

Forum Fees	= \$ 3,937.50
<u>Less 50% of Claimants' Credit Balance</u>	<u>= (553.75)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,383.75
4. Respondent Providential Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 6,600.00
<u>Less Payments</u>	<u>= \$ (4,600.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,000.00

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5. Respondents Providential Securities, Inc., Henry Fahman, and Theodore Fahman, are charged jointly and severally with the following fees and costs:

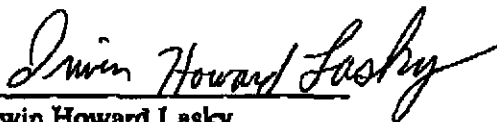
Forum Fees	= \$ 2,812.50
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,812.50

6. Respondent Southwest Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 7,600.00
Forum Fees	= \$ 2,812.50
Balance Due NASD Dispute Resolution, Inc.	= \$ 10,412.50

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

Concurring Arbitrators' Signatures


Irwin Howard Lasky
Chair, Public Arbitrator

10.27.00
Signature Date

Robert S. Granas
Public Arbitrator

Signature Date

Montgomery G. Griffin, J.D.
Non-Public Arbitrator

Signature Date

Date of Service

Concurring Arbitrators' Signatures

Irwin Howard Lasky
Chair, Public Arbitrator

Signature Date

Robert S. Granas
Robert S. Granas
Public Arbitrator

OCTOBER 27, 2000
Signature Date

Montgomery G. Griffin, J.D.
Non-Public Arbitrator

Signature Date

Date of Service

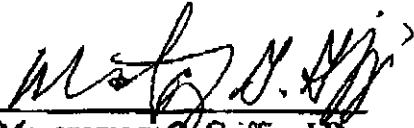
Concurring Arbitrators' Signatures

Irwin Howard Lasky
Chair, Public Arbitrator

Signature Date

Robert S. Granas
Public Arbitrator

Signature Date



Montgomery G. Griffin, J.D.
Non-Public Arbitrator

10-27-00

Signature Date

Date of Service