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Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Shahram Levi, Claimant v. Morgan Stanley Dean Witter Reynolds, Inc., Henry Fereydouni a/k/a Hamid Fereydouni, Marjan Kamyar a/k/a Martan Kamyar a/k/a Marge Kamyar, and William E. Smith, Respondents

Case Number: 99-05301

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimant:

Bradd L. Milove, Esq.
Brian Miller, Esq.
Miller, Milove & Kob
San Diego, California

For Respondents:

Michael J. Abbott, Esq.
Kevin K. Fitzgerald, Esq.
Jones, Bell, Abbott,
Fleming, & Fitzgerald L.L.P.
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: November 23, 1999

Claimant's Uniform Submission Agreement signed: December 10, 1999

Joint Statement of Answer filed by Respondents Morgan Stanley Dean Witter Reynolds, Inc., Henry Fereydouni a/k/a Hamid Fereydouni (hereinafter Hamid Fereydouni), Marjan Kamyar a/k/a Martan Kamyar a/k/a Marge Kamyar (hereinafter Marjan Kamyar), and William E. Smith: February 15, 2000

Respondent Morgan Stanley Dean Witter Reynolds, Inc.'s Uniform Submission Agreement signed: February 14, 2000

Respondent Hamid Fereydouni's Uniform Submission Agreement signed: February 1, 2000

Respondent Marjan Kamyar's Uniform Submission Agreement signed: February 1, 2000

Respondent William E. Smith's Uniform Submission Agreement signed: February 9, 2000

CASE SUMMARY

Claimant alleged common law fraud, breach of fiduciary duty, unfair sales practices, unauthorized trading, churning, negligence, gross negligence, negligent misrepresentation, breach of contract, breach of covenant of good faith and fair dealing, and violation of securities rules and regulations.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant sought \$2,946,701.00 in compensatory damages, disgorgement of excessive commissions and compensation, punitive damages, interest, and reimbursement for attorney's fees and arbitration costs.

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

OTHER ISSUES CONSIDERED AND DECIDED

At the request of the parties, the Panel considered the post-hearing briefs and previous ruling dated June 29, 2001. The finding of liability and damages set forth in the ruling dated June 29, 2001 are affirmed.

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, evidence presented at the hearing, and the post-hearing submissions, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents Morgan Stanley Dean Witter Reynolds, Inc., Henry Fereydouni a/k/a Hamid Fereydouni, and William E. Smith are jointly and severally liable to and shall pay Claimant \$278,000.00 in compensatory damages.
- 2) Respondents Morgan Stanley Dean Witter Reynolds, Inc., Henry Fereydouni a/k/a Hamid Fereydouni, and William E. Smith are jointly and severally liable to and shall pay Claimant 10% simple interest per annum on the sum of \$278,000.00 from the date of the Award until paid in full.

- 3) Respondent Morgan Stanley Dean Witter Reynolds, Inc., Henry Fereydouni a/k/a Hamid Fereydouni, and William E. Smith are jointly and severally liable to and shall pay Claimant \$15,000.00 in expert witness fees.
- 4) Respondents Morgan Stanley Dean Witter Reynolds, Inc., Henry Fereydouni a/k/a Hamid Fereydouni, and William E. Smith are jointly and severally liable to and shall pay Claimant \$4,500.00 for in-house copies.
- 5) Respondents Morgan Stanley Dean Witter Reynolds, Inc., Henry Fereydouni a/k/a Hamid Fereydouni, and William E. Smith are jointly and severally liable to and shall pay Claimant \$1,108.12 in exhibit and court record fees.
- 6) Respondents Morgan Stanley Dean Witter Reynolds, Inc., Henry Fereydouni a/k/a Hamid Fereydouni, and William E. Smith are jointly and severally liable to and shall pay Claimant \$500.00 for reimbursement of filing fees.
- 7) Claimant's request for punitive damages is denied.
- 8) Respondent Marjan Kamyar a/k/a Martan Kamyar a/k/a Marge Kamyar is dismissed with prejudice.
- 9) Except as noted above, the parties shall bear their respective costs, including attorney's fees.
- 10) 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, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 500.00
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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 which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Morgan Stanley Dean Witter Reynolds, 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

Adjournment Fees

The following adjournment fees are assessed:

Hearing Dates, March 20, 2001- March 21, 2001, Adjournment requested by Respondents Fee waived by Panel	= \$ 0.00
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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:

2 Pre-hearing conference sessions with a single Arbitrator @ \$450.00/session	= \$ 900.00
Pre-hearing conferences: January 18, 2001 1 session	
January 31, 2001 1 session	
3 Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 3,600.00
Pre-hearing conferences: July 20, 2000 1 session	
March 16, 2001 1 session	
December 20, 2001 1 session	
14 Hearing sessions @ \$1,200.00/session	= \$16,800.00
Hearings: February 13, 2001 2 sessions	
February 14, 2001 2 sessions	
February 15, 2001 2 sessions	
February 16, 2001 2 sessions	
June 12, 2001 2 sessions	
June 13, 2001 2 sessions	
June 14, 2001 2 sessions	
Total Forum Fees	= \$21,300.00

1. The Panel assessed \$10,863.00 of the forum fees to Claimant Shahram Levi.
2. The Panel assessed \$10,437.00.00 of the forum fees jointly and severally to Respondents Morgan Stanley Dean Witter Reynolds, Inc., Henry Fereydouni a/k/a Hamid Fereydouni, and William E. Smith.

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.

Respondent Morgan Stanley Dean Witter Reynolds, Inc. requested tape duplication:

8 tapes @ \$15.00/tape =\$ 120.00

Fee Summary

1. Claimant Shahram Levi is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$10,683.00
Total Fees	= \$11,363.00
<u>Less Payments</u>	= \$(1,700.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 9,663.00

2. Respondent Morgan Stanley Dean Witter Reynolds, Inc. is charged with the following fees and costs:

Member Fees	= \$ 7,600.00
<u>Administrative Costs</u>	= \$ 120.00
Total Fees	= \$ 7,720.00
<u>Less Payments</u>	= \$ (7,720.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

3. Respondents Morgan Stanley Dean Witter Reynolds, Inc., Henry Fereydouni a/k/a Hamid Fereydouni, and William E. Smith are charged jointly and severally with the following fees and costs:

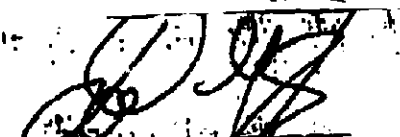
Forum Fees	= \$10,437.00
Balance Due NASD Dispute Resolution, Inc.	= \$10,437.00

All balances are payable to NASD Dispute Resolution, Inc. and are to be paid immediately upon the receipt of the award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Joel G. Selik, Esq.	-	Public Arbitrator, Presiding Chair
Thomas E. Shuck, Esq.	-	Public Arbitrator
David Maurer, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Joel G. Selik, Esq.
Chair, Public Arbitrator

Signature Date

Thomas E. Shuck, Esq.
Public Arbitrator

Signature Date

David Maurer, Esq.
Non-Public Arbitrator

Signature Date

2/11/02

Date of Service

ARBITRATION PANEL

Joel G. Selik, Esq.	-	Public Arbitrator, Presiding Chair
Thomas E. Shuck, Esq.	-	Public Arbitrator
David Manner, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Joel G. Selik, Esq.
Chair, Public Arbitrator

Signature Date



Thomas E. Shuck, Esq.
Public Arbitrator

JAN 29 2002

Signature Date

David Manner, Esq.
Non-Public Arbitrator

Signature Date

2/11/02

Date of Service

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Thomas E. Shuck, Esq.	-	Public Arbitrator
David Maurer, Esq.	-	Non-Public Arbitrator

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Chair, Public Arbitrator

Signature Date

Thomas E. Shuck, Esq.
Public Arbitrator

Signature Date



David Maurer, Esq.
Non-Public Arbitrator



Signature Date



Date of Service