

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Claimants

Suzy Asad
1999 Suzy Asad Revocable Trust dated
August 20, 1999

Case Number: 12-01167

vs.

Respondents

Mamdoh Aziz Abas
ProEquities, Inc.

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers vs. Member and Associated Person

The case proceeded under the Optional All Public Panel Rule/ All Public Panel

REPRESENTATION OF PARTIES

For Claimants Suzy Asad and 1999 Suzy Asad Revocable Trust dated August 20, 1999, hereinafter collectively referred to as "Claimants": Brian D. Miller, Esq., Miller & Milove, San Diego, California.

For Respondents Mamdoh Aziz Abas ("Abas") and ProEquities, Inc. ("ProEquities"), hereinafter collectively referred to as "Respondents": Brandon S. Reif, Esq., Winget, Spadafora & Schwartzberg, LLP, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed on or about: March 27, 2012.

Claimants signed the Submission Agreement: March 20, 2012.

Statement of Answer filed by Respondents on or about: June 7, 2012.

Abas signed the Submission Agreement: May 18, 2012.

ProEquities signed the Submission Agreement: May 21, 2012.

CASE SUMMARY

Claimants asserted the following causes of action: federal securities fraud; breach of fiduciary duty and constructive fraud; fraud and deceit; California securities fraud; unfair sales practices; negligence and negligent misrepresentation; elder abuse; and

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declaratory relief for legal and equitable indemnity. The causes of action relate to Claimants' Tenant-in-Common ("TIC") real estate investment.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested:

1. Damages in an amount exceeding \$499,365.00;
2. Pre-judgment and post-judgment interest at the maximum legal rate, dating from the date of the original investment;
3. Exemplary or punitive damages in an amount to be determined by the Panel to punish Respondents for alleged willful and outrageous conduct, and to serve as an example to deter such conduct in the future;
4. A declaration that Respondents are liable and must indemnify Claimants for any liability Claimants may have now or in the future under various guaranty agreements executed by Claimants in connection with the TIC investment Respondents sold to Claimants;
5. Expert witness fees, attorneys' fees, forum fees, costs and expenses; and
6. Such other relief as the Panel may deem just and proper.

In the Statement of Answer, Respondents requested:

1. Claimants take nothing by way of the Statement of Claim;
2. Costs;
3. This matter be expunged from the regulatory record of Respondents ProEquities and Abas;
4. All FINRA forum fees be assessed to Claimant; and
5. Such further relief as the Panel deems just and appropriate.

At the close of the hearing, Claimants requested \$648,737.64 in damages.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

After the conclusion of Claimants' case-in-chief, Respondents made a Motion to Dismiss. Claimants opposed the motion. After due deliberation, the Panel determined to deny the motion as the statute of limitations did not begin to run until the Claimants discovered the damage and its cause.

During the recorded evidentiary hearing, Respondents reiterated their request for expungement in their closing argument. Claimants opposed the request. After due deliberation, the Panel determined to deny the request having imposed liability on both Respondents.

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.

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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. Respondents are jointly and severally liable for and shall pay to Claimants compensatory damages in the amount of \$379,424.33.
2. Respondents are jointly and severally liable for and shall pay to Claimants simple interest on the aforementioned award of \$379,424.33 at the rate of 7.00% per annum accruing from February 1, 2008 to May 3, 2013.
3. Respondents are jointly and severally liable for and shall pay to Claimants \$68,838.06 in costs.
4. Respondents are jointly and severally liable for and shall pay to Claimants \$300.00 as reimbursement for the non-refundable portion of the Claimants' initial claim filing fee.
5. Any and all relief not specifically addressed herein, including exemplary or punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing fee = \$ 1,425.00

**The filing fee is made up of a non-refundable and a refundable portion.*

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, ProEquities, Inc. is assessed the following:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 2,750.00

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

Two (2) Decisions on discovery-related motions on the papers with (1) <u>one</u> arbitrator @ \$200.00	= \$ 400.00
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Claimant submitted one discovery-related motion

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Respondent submitted one discovery-related motion

One (1) Decision on discovery-related motion on the papers
 with (3) three arbitrators @ \$600.00 = \$ 600.00

Claimant submitted one discovery-related motion

Total Discovery-Related Motion Fees = \$1,000.00

The Panel has assessed \$1,000.00 of the discovery-related motion fees jointly and severally to Respondents.

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena
 (1) one arbitrator @ \$200.00 = \$ 200.00

Total Contested Motion for Issuance of Subpoenas Fees = \$ 200.00

The Panel has assessed \$200.00 of the contested motion for issuance of subpoenas fees jointly and severally to Respondents.

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Four (4) Pre-hearing sessions with the Panel @ \$1,125.00/session = \$4,500.00
 Pre-hearing conferences: July 23, 2012 1 session
 November 28, 2012 1 session
 December 11, 2012 1 session
 January 16, 2013 1 session

Nineteen (19) Hearing sessions @ \$1,125.00/session = \$21,375.00
 Hearing Dates: January 7, 2013 2 sessions
 January 8, 2013 2 sessions
 January 9, 2013 2 sessions
 January 10, 2013 2 sessions
 January 11, 2013 2 sessions
 April 29, 2013 2 sessions
 April 30, 2013 2 sessions
 May 1, 2013 2 sessions
 May 2, 2013 2 sessions
 May 3, 2013 1 session

Total Hearing Session Fees = \$25,875.00

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The Panel has assessed \$25,875.00 of the hearing session fees jointly and severally to Respondents.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.


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ARBITRATION PANEL

Robert Alan Merring	-	Public Arbitrator, Presiding Chairperson
Robert B. Moran	-	Public Arbitrator
Richard M. Norman	-	Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures



 Robert Alan Merring
 Public Arbitrator, Presiding Chairperson

5/9/13

 Signature Date

 Robert B. Moran
 Public Arbitrator

 Signature Date

 Richard M. Norman
 Public Arbitrator

 Signature Date

MAY 14 2013

 Date of Service (For FINRA Dispute Resolution office use only)

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Robert B. Moran	-	Public Arbitrator
Richard M. Norman	-	Public Arbitrator

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Concurring Arbitrators' Signatures

Robert Alan Merring
Public Arbitrator, Presiding Chairperson

Signature | Date

Robert B. Moran
Public Arbitrator

Signature | Date

Richard M. Norman

Richard M. Norman
Public Arbitrator

5/13/13

Signature | Date

MAY 14, 2013

Date of Service (For FINRA Dispute Resolution office use only)