

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

CVI Group, an unincorporated association consisting, in part, of Emes Foundation, a Canadian Foundation, SLR Trust, a Canadian Trust, 1274328 Ontario, Inc., a Canadian corporation, and GAE Investments, Ltd., a Canadian limited partnership, (Claimant) vs. Bear Stearns & Co., Inc. and M.H. Meyerson & Co., Inc., (Respondents) vs. Leslie Gerendasi, Joe Lebovics, and Henry Brachfeld (Third-Party Respondents)

Case Number: 00-00911

Hearing Site: Buffalo, New York

REPRESENTATION OF PARTIES

Claimant, CVI Group, an unincorporated association consisting, in part, of Emes Foundation, a Canadian Foundation, SLR Trust, a Canadian Trust, 1274328 Ontario, Inc., a Canadian corporation, and GAE Investments, Ltd., a Canadian limited partnership, hereinafter referred to as "Claimant": Nathan E. Nason, Esq., Nason, Yeager, Gerson, White & Lioce, P.A., West Palm Beach, FL.

Respondents, Bear Stearns & Co., Inc. ("Bear Stearns") and M.H. Meyerson & Co., Inc. ("Meyerson"), hereinafter collectively referred to as "Respondents": Mark R. Kook, Esq., Hartman & Craven LLP, New York, NY.

Third-Party Respondents, Leslie Gerendasi ("Gerendasi"), Joe Lebovics ("Lebovics"), and Henry Brachfeld ("Brachfeld"): Nathan E. Nason, Esq., Nason, Yeager, Gerson, White & Lioce, P.A., West Palm Beach, FL.

CASE INFORMATION

Statement of Claim filed on or about: February 28, 2000.

Claimant signed the Uniform Submission Agreement: March 27, 2000.

Joint Statement of Answer, Counterclaim, and Third-Party Claim filed by Respondents on or about: June 29, 2000.

Memorandum in Opposition to Motion to Dismiss filed by Respondents on or about: September 14, 2000.

Supplemental Memorandum in Opposition to Motion to Dismiss filed by Respondents on or about: December 11, 2000.

Bear Stearns signed the Uniform Submission Agreement: June 28, 2000.

Meyerson signed the Uniform Submission Agreement: June 27, 2000.

Motion to Dismiss filed by Gerendasi, Lebovics, and Brachfeld on or about: July 20, 2000.
Statement of Answer filed by Gerendasi, Lebovics, and Brachfeld on or about: December 14, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: breach of express contract; processing a transaction without proper authorization; breach of fiduciary duty; and negligence. Claimant's claim involved the stock of Total World Telecommunications, Inc. n/k/a Whitehall Enterprises, Inc.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a valid cause of action under law; Respondents acted in accordance with valid and authorized Powers of Attorney and transfer instructions; Respondents acted in good faith and justifiably relied on the Powers of Attorney; Respondents acted in accordance and conformity with NASD procedures; Claimant is barred and estopped from maintaining any claims by reason of its bad faith, unclean hands, and misconduct; Claimant has not incurred any losses or other damages by reason of the assertions in the Statement of Claim; Claimant at all relevant times had full knowledge of all material facts concerning its relative accounts with Respondents, including the positions maintained and the transactions made therein; Claimant authorized and/or ratified all transactions in its accounts; Claimant's claims are barred by the applicable principles of waiver, ratification, and estoppel; Claimant waived the alleged claims and injuries set forth in the Statement of Claim by failing to take timely and appropriate action prior to incurring damages; Respondents and each of their officers, agents, and employees, in discharging their duties, if any, to Claimant, acted in good faith and exercised that degree of care, diligence, and skill which ordinary prudent people would exercise in similar circumstances and like positions; the damages allegedly suffered by Claimant have no causal relationship with any act committed by or legally attributable to Respondents; Claimant did not reasonably rely to its detriment on any action or inaction of Respondents, or any action or inaction legally attributable to Respondents; and Claimant had the opportunity and means to mitigate the alleged damages to its accounts.

In their Counterclaim, Respondents alleged that the Powers of Attorney executed on behalf of Claimant agreed to indemnify and hold Respondents harmless from any claims that may arise from actions taken in reliance upon said Powers of Attorney.

RELIEF REQUESTED

Claimant requested compensatory damages in the approximate amount of \$5,000,000.00, plus costs. Claimant also requested that the Panel enjoin Respondents from further recognition of any purported Powers of Attorney given by Claimant, or any of its members, to Global Financial Investments or Al Bowen.

In their Answer and Counterclaim, Respondents requested indemnification from all expenses, attorneys' fees, and other costs or damages incurred by Respondents in connection with this proceeding.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearings in this matter, the Panel granted the Motion to Dismiss the Third-Party Claims made against Gerendasi, Lebovics, and Brachfeld.

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

1. Respondents be and hereby are jointly and severally liable for and shall pay to Claimant the sum of \$5,000,000.00 as compensatory damages, plus interest at the rate of 9% accruing from the date that this Award is published until date of payment.
2. Respondents' Counterclaim is hereby denied in its entirety.
3. Respondents be and hereby are jointly and severally liable for and shall pay to Claimant the sum of \$600.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution, Inc.
4. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$600.00
Counterclaim filing fee	= \$500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Bear Stearns & Co., Inc. and M.H. Meyerson & Co., Inc. are parties.

Bear Stearns & Co., Inc.

Member surcharge	= \$ 2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 4,500.00

M.H. Meyerson & Co., Inc.

Member surcharge	= \$ 2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 4,500.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: October 8, 2001	1 session

Two (2) Pre-hearing sessions with Panel x \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: April 23, 2001	1 session
June 4, 2001	1 session

Six (6) Hearing sessions x \$1,200.00	= \$ 7,200.00
Hearing Dates: October 15, 2001	2 sessions
October 16, 2001	2 sessions
October 17, 2001	2 sessions

Total Forum Fees	= \$10,050.00
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The Panel has assessed all of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimant be and hereby is solely liable for:

<u>Initial Filing Fee</u>	= \$ 600.00
<u>Total Fees</u>	= \$ 600.00
<u>Less payments</u>	= \$ 1,800.00
<u>Refund Due Claimant</u>	= \$ 1,200.00

As stated in the "Award" section above, Respondents are jointly and severally liable and shall reimburse Claimant for the \$600.00 filing fee.

2. Bear Stearns be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 7,600.00
<u>Total Fees</u>	= \$ 7,600.00
<u>Less payments</u>	= \$ 7,000.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$ 600.00

3. Meyerson be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 7,600.00
<u>Total Fees</u>	= \$ 7,600.00
<u>Less payments</u>	= \$ 7,000.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$ 600.00

4. Respondents be and hereby are jointly and severally liable for:

<u>Counterclaim Filing Fee</u>	= \$ 500.00
<u>Forum Fees</u>	= \$10,050.00
<u>Total Fees</u>	= \$10,550.00
<u>Less payments</u>	= \$ 1,500.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$ 9,050.00


All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Donald T. Cook, Esq.	-	Public Arbitrator, Presiding Chair
Joan B. Alexander, Esq.	-	Public Arbitrator
Francis G. Leonard	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, 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.



Donald T. Cook, Esq.
Public Arbitrator, Presiding Chair

January 8, 2002
Signature Date

Joan B. Alexander, Esq.
Public Arbitrator

Signature Date

Francis G. Leonard
Industry Arbitrator

Signature Date

January 15, 2002
Date of Service (For NASD office use only)

ARBITRATION PANEL

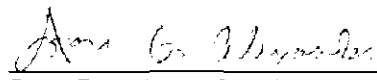
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Francis G. Leonard	-	Industry Arbitrator

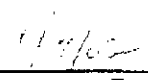
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Public Arbitrator, Presiding Chair

Signature Date


Joan B. Alexander, Esq.
Public Arbitrator


Signature Date

Francis G. Leonard
Industry Arbitrator

Signature Date

January 15, 2002
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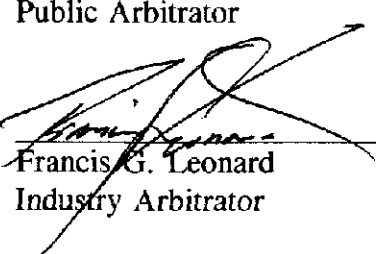
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Donald T. Cook, Esq.
Public Arbitrator, Presiding Chair


Signature Date

Joan B. Alexander, Esq.
Public Arbitrator

Signature Date



Francis G. Leonard
Industry Arbitrator



Signature Date

January 15, 2002
Date of Service (For NASD office use only)