

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Royal Nielsen

and

00-03124
Minneapolis, Minnesota

Name of Respondents

Biltmore Securities, Inc.
Brian Edward Owens
Elliott Loewenstern
Richard Bronson

REPRESENTATION OF PARTIES

Royal Nielsen ("**Claimant**") was represented by Kim Ruckdaschel-Haley, Esq., Lindquist & Vennum, P.L.L.P., Minneapolis, Minnesota.

Brian Edward Owens ("**Respondent Owens**") was represented by Delmer C. Gowing III, Esq., Delray Beach, Florida.

Biltmore Securities, Inc. ("**Respondent Biltmore**"), Elliott Loewenstern ("**Respondent Loewenstern**"), and Richard Bronson ("**Respondent Bronson**") did not appear at the hearing on March 26, 2002. The Panel granted the motion by Delmer Gowing to withdraw from his representation of such Respondents.

CASE INFORMATION

The Statement of Claim was filed on or about July 24, 2000. Amended Statement of Claim was filed on or about September 7, 2001. Submission Agreement of Claimant Royal Nielsen was signed on June 27, 2000.

Response to Statement of Claim was filed by Respondent Brian Edward Owens on or about September 21, 2000. Submission Agreement of Respondent Brian Edward Owens was signed on September 18, 2000.

Respondents Biltmore Securities, Inc., Elliott Loewenstern, and Richard Bronson did not file a responsive pleading.

CASE SUMMARY

Claimant submitted the following summary:

Claimant Royal Nielsen alleged as follows: In May, 1998, Respondent Brian Owens, a registered representative of Biltmore Securities, Inc. at the time, began making a series of cold calls to him, pressuring him to purchase TMCI Electronics, Inc. ("TMCI") stock. Through high-pressure sales tactics and false promises regarding price appreciation and profits within a specific time interval, Mr. Owens induced Mr. Nielsen to expend \$188,780 in June and August 1998 to purchase 55,000 shares of TMCI stock. During this time period, Biltmore and its principals, Messrs. Loewenstern and Bronson, were under investigation by federal and state regulatory authority for securities fraud, and in February 1999 Biltmore was expelled from membership in the NASD, and Loewenstern and Bronson were permanently barred.

At the hearing, Respondent Owens denied any wrongdoing, and specifically denied that he made any misrepresentations to Claimant Nielsen in the sale of the TMCI stock at issue.

Within months, the TMCI stock lost its value; in January 1999, TMCI filed bankruptcy; and by February 1999, the NASDAQ halted trading of TMCI.

Claimant Royal Nielsen brought claims against Respondents for violation of federal and state securities statutes, fraud, breach of contract, breach of fiduciary duty, and other common law claims.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$188,780; interest; attorney's fees and costs; and punitive damages in the amount of \$565,000.

Respondent Owens requested that the case be dismissed against him and that costs be assessed against Claimant.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondents Biltmore Securities, Inc., Elliott Loewenstern, and Richard Bronson had been properly served with the Amended Statement of Claim pursuant to Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondents Biltmore Securities, Inc., Elliott Loewenstern, and Richard

Bronson had received due notice of the hearing as required under Rule 10315 of the Code and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

Respondents Biltmore Securities, Inc., Elliott Loewenstern, and Richard Bronson did not file with the NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the Code and are bound by the determination of the arbitration panel on all issues submitted.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

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

1. All claims asserted against Respondents Brian Edward Owens, Elliott Loewenstern, and Richard Bronson shall be and hereby are dismissed.
2. Respondent Biltmore Securities, Inc. shall be and hereby is liable for and shall pay to Claimant Royal Nielsen the sum of \$96,250.00 (**Ninety Six Thousand Two Hundred Fifty Dollars and No Cents**) as compensatory damages.
3. Interest at the rate of 7% per annum is awarded on the above stated sum from and inclusive of November 18, 1998 to and inclusive of April 1, 2002.
4. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
5. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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 = \$375.00

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. In this matter, the terminated member firm is Biltmore Securities, Inc.

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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:

One (1) Pre-hearing session with Panel x \$1,200.00 = \$1,200.00
Pre-hearing conference(s): March 28, 2001 1 session

Two (2) Hearing sessions x \$1,200.00 = \$2,400.00
Hearing Date(s): March 26, 2002 2 sessions

Total Forum Fees = \$3,600.00

The Arbitration Panel has assessed \$3,600.00 of the forum fees to Biltmore Securities, Inc.

Fee Summary

Claimant, Royal Nielsen, shall be and hereby is liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$ 375.00
<u>Less payments</u>	= \$1,575.00
Balance to be refunded by NASD Dispute Resolution, Inc.	= \$1,200.00

NASD Dispute Resolution, Inc.
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Respondent, Biltmore Securities, Inc., shall be and hereby is liable for:

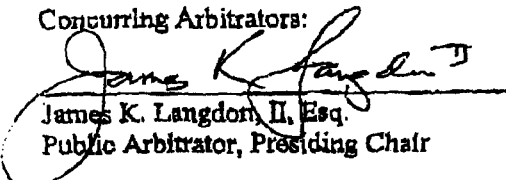
<u>Forum Fees</u>	= \$3,600.00
<u>Total Fees</u>	= \$3,600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,600.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

James K. Langdon, II, Esq. - Public Arbitrator, Presiding Chair
Wendy Sacha - Public Arbitrator
Allan E. Fonfara, CPA - Non-Public Arbitrator

Concurring Arbitrators:


James K. Langdon, II, Esq.
Public Arbitrator, Presiding Chair

4-10-02
Signature Date

Wendy Sacha
Public Arbitrator

Signature Date

Allan E. Fonfara, CPA
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.

Arbitration No. 00-03124

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Respondent, Biltmore Securities, Inc., shall be and hereby is liable for:

<u>Forum Fees</u>	= \$3,600.00
Total Fees	= \$3,600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,600.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

James K. Langdon, II, Esq. - Public Arbitrator, Presiding Chair

Wendy Sacha - Public Arbitrator

Allan E. Fonfara, CPA - Non-Public Arbitrator

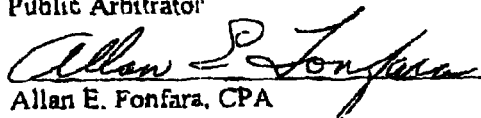
Concurring Arbitrators:

James K. Langdon, II, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Wendy Sacha
Public Arbitrator

Signature Date


Allan E. Fonfara, CPA
Non-Public Arbitrator

April 10, 2002
Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 00-03124
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Respondent, Biltmore Securities, Inc., shall be and hereby is liable for:

<u>Forum Fees</u>	= \$3,600.00
<u>Total Fees</u>	= \$3,600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,600.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

James K. Langdon, II, Esq. - Public Arbitrator, Presiding Chair
Wendy Sacha - Public Arbitrator
Allan E. Fonfara, CPA - Non-Public Arbitrator

Concurring Arbitrators:

James K. Langdon, II, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Wendy Sacha

Wendy Sacha
Public Arbitrator

4/11/02

Signature Date

Allan E. Fonfara, CPA
Non-Public Arbitrator

Signature Date