

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

Lorenz M. and Victoria Hofmann, Claimant v. Gregg Adams and Robert William Lisnoff, Jr.,  
Respondents

Case Number: 00-3260

Hearing Site: Raleigh, North Carolina

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**REPRESENTATION OF PARTIES**

Lorenz M. and Victoria Hofmann  
("Claimant")

pro se

Gregg Adams ("Adams") and Robert  
William Lisnoff, Jr. ("Lisnoff")

pro se

Michael Osborne, Esq.  
Stark & Stark, P.C.  
Lawrenceville, New Jersey  
withdrew as counsel on June 7, 2001

**CASE INFORMATION**

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

Claimant signed the Uniform Submission Agreement on: July 28, 2000.

Statement of Answer filed by Respondents on or about: December 20, 2000.

Respondents did not file executed Uniform Submission Agreements.

Reply to Respondents' Statement of Answer filed by Claimant on or about: February 16,  
2001.

**CASE SUMMARY**

Claimant asserted the following causes of action: 1) fraud in violation of North Carolina General Statutes; 2) constructive fraud; and 3) negligent misrepresentation. The causes of action relate to the purchase of shares of stock in Americom Networks CP and Gunslinger Records, Inc.

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

### **RELIEF REQUESTED**

Claimant requested: 1) compensatory damages in the amount of \$62,544.00; 2) punitive damages in the amount of \$35,000.00; 3) permanent injunctive relief; 4) costs in the total amount of \$2,175.00; and 5) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents requested: 1) dismissal of the Statement of Claim; and 2) such other relief the Panel deemed just and proper.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondents did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

Respondents did not appear at the evidentiary hearing. Upon review of the file and the representations made by/on behalf of the Claimant, the Panel determined that Respondents have been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without Respondents present, in accordance with the Code.

Claimant 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 (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted against Respondent Lisnoff are denied.
2. Respondent Adams is liable and shall pay to Claimant compensatory damages in the amount of \$62,544.00, plus interest at the rate of 8.00% per annum from November 8, 1999 until the Award is paid in full.
3. Respondent Adams is liable and shall pay to Claimant the sum of \$225.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution, Inc.
4. Claimant's request for punitive damages is denied.

5. All other requests for relief not specifically addressed herein are 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 | = \$225.00 |
|--------------------------|------------|

#### **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 persons at the time of the events giving rise to the dispute. In this matter, the member firm, Preston Langley Asset Management, Inc., employed Respondents at the time of the events giving rise to the dispute.

|                         |              |
|-------------------------|--------------|
| Member surcharge        | = \$1,000.00 |
| Pre-hearing process fee | = \$ 600.00  |
| Hearing process fee     | = \$1,500.00 |

#### **Adjournment Fees**

Adjournments requested during these proceedings:

There were no adjournments requested during these proceedings.

#### **Forum Fees and Assessments**

The Panel has the authority to assess 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:

|  |              |
|--|--------------|
| Two (2) Pre-hearing sessions with Panel x \$750.00 | = \$1,500.00 |
|--|--------------|

|                          |                  |           |
|--------------------------|------------------|-----------|
| Pre-hearing conferences: | February 7, 2001 | 1 session |
|                          | March 7, 2001    | 1 session |

|                                     |              |
|-------------------------------------|--------------|
| Two (2) Hearing sessions x \$750.00 | = \$1,500.00 |
|-------------------------------------|--------------|

|               |               |           |
|---------------|---------------|-----------|
| Hearing Date: | June 26, 2001 | 1 session |
|               | July 20, 2001 | 1 session |

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|                  |              |
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| Total Forum Fees | = \$3,000.00 |
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The Panel has assessed the total forum fees of \$3,000.00 to Respondent Adams.

### **Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

### **FEE SUMMARY**

Claimant be and hereby is solely liable for:

|                    |            |
|--------------------|------------|
| Initial Filing Fee | = \$225.00 |
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|            |            |
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| Total Fees | = \$225.00 |
|------------|------------|

|               |            |
|---------------|------------|
| Less payments | = \$225.00 |
|---------------|------------|

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|   |          |
|---|----------|
| Balance Due NASD Dispute Resolution, Inc. | = \$0.00 |
|---|----------|

Respondent Adams be and hereby is solely liable for:

|            |              |
|------------|--------------|
| Forum Fees | = \$3,000.00 |
|------------|--------------|

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|            |              |
|------------|--------------|
| Total Fees | = \$3,000.00 |
|------------|--------------|

|               |           |
|---------------|-----------|
| Less payments | = \$ 0.00 |
|---------------|-----------|

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|   |              |
|---|--------------|
| Balance Due NASD Dispute Resolution, Inc. | = \$3,000.00 |
|---|--------------|

Preston Langley Asset Management, Inc. be and hereby is solely liable for:

|             |              |
|-------------|--------------|
| Member Fees | = \$3,100.00 |
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|            |              |
|------------|--------------|
| Total Fees | = \$3,100.00 |
|------------|--------------|

|               |           |
|---------------|-----------|
| Less payments | = \$ 0.00 |
|---------------|-----------|

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|   |              |
|---|--------------|
| Balance Due NASD Dispute Resolution, Inc. | = \$3,100.00 |
|---|--------------|

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

### **ARBITRATION PANEL**

|                            |   |                                    |
|----------------------------|---|------------------------------------|
| Thomas W. Steed, Jr., Esq. | - | Public Arbitrator, Presiding Chair |
| Alan L. Button             | - | Public Arbitrator                  |
| B. David Jarashow, Esq.    | - | Non-Public Arbitrator              |

**Concurring Arbitrators' Signatures**

/s/  
Thomas W. Steed, Jr., Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

/s/  
Alan L. Button  
Public Arbitrator

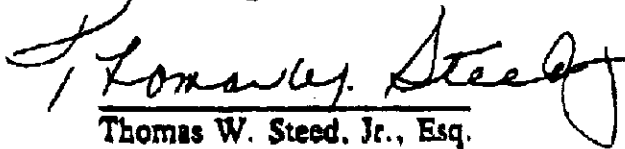
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Signature Date

/s/  
B. David Jarashow, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

August 1, 2001  
Date of Service

Concurring Arbitrators' Signatures



Thomas W. Steed, Jr., Esq.  
Public Arbitrator, Presiding Chair

July 30, 2001  
Signature Date

\_\_\_\_\_  
Alan L. Button  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
B. David Jarashow, Esq.  
Non-Public Arbitrator


\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service

Concurring Arbitrators' Signatures

\_\_\_\_\_  
Thomas W. Stead, Jr., Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Alan L. Button  
Public Arbitrator

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8/1/01  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
B. David Jarashow, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service

Concurring Arbitrators' Signatures

\_\_\_\_\_  
Thomas W. Stead, Jr., Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Alan L. Button  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
B. David Jarashow, Esq.  
Non-Public Arbitrator

7/30/01  
\_\_\_\_\_  
Signature Date

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Date of Service