
Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between: First Union Securities, Inc. v. CPR Holdings, Inc., Robert Pennington, Rita Pennington, Harold Crum, Betty Crum, Millennium Business Associates, Inc., and DPA Holdings, Inc.

Case Number: 00-03404

Hearing Site: Houston, Texas

REPRESENTATION OF PARTIES

Claimant, First Union Securities, Inc., hereinafter referred to as "Claimant": Retta A. Miller of Jackson Walker L.L.P., Dallas Texas.

Respondents, CPR Holdings, Inc., ("CPR Holdings"), Robert Pennington, Rita Pennington, Harold Crum, Betty Crum, Millennium Business Associates, Inc., ("Millennium"), and DPA Holdings, Inc., hereinafter collectively referred to as Respondents: Sidney L. Ravkind, Esq. of the Ravkind Firm, Houston Texas.

CASE INFORMATION

Statement of Claim filed on or about: August 8, 2000.

Claimant signed the Uniform Submission Agreement: August 10, 2000.

Joint Statement of Answer, Counter-claim and Cross-Claim filed by Respondents, on or about: November 7, 2000.

Respondents signed Uniform Submission Agreements: November 10, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: Breach of Account Agreement, Fraud, Unjust Enrichment, and Conspiracy to commit a Fraud. These causes of action are in connection with the purchase of common stock.

Unless specifically admitted in their Joint Statement of Answer, Respondents denied the allegations made in the Statement of Claim and requested that the claims against them be dismissed.

In addition, Respondents Filed a Counter-claim in which they asserted the following causes of action against the Claimant: Failure to follow instructions regarding stock transfers, Negligence and Fraud. Respondents also requested that Ley Industries, Inc. and Richard Curry be added as parties.

Claimant requested that the claims alleged against them in Respondents Counter-claim be dismissed in their entirety.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 214,744.51
Punitive Damages	\$ Unspecified
Interest	\$ Unspecified
Attorneys' Fees	\$ Unspecified
Other Costs	\$ Unspecified

Respondents/ Counter-claimant:

Compensatory Damages	\$ Unspecified
Punitive Damages	\$ Unspecified
Interest	\$ Unspecified
Attorneys' Fees	\$ Unspecified
Other Costs	\$ Unspecified
Other Monetary/Non-Monetary Relief: "loss of market opportunity."	

OTHER ISSUES CONSIDERED AND DECIDED

At a March 21, 2001 prehearing the panel ruled that the counter-claim against the Claimant was properly a subject of the arbitration. However, the request to add Ley Industries, Inc. and Richard Curry would was denied.

At the time of the hearing on the merits the Panel dismissed Respondents' Counter-claim against First Union Securities, Inc.

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. CPR Holdings, Inc., and Rita Pennington are jointly and severally liable for and shall pay to Claimant First Union, Compensatory Damages in the sum of \$214,744.51.
2. CPR Holdings, Inc., and Rita Pennington are jointly and severally liable for and shall pay to First Union attorneys fees' in the sum of \$55,564.00. In deciding to award attorneys' fees, the panel considered the arguments of the parties, as well as the pleadings filed in this matter, and determined that the authority existed for an

- award of attorneys' fees to the Claimant First Union Securities.
3. The panel denied the Counter-claim against first Union Securities and Richard Curry in full.
 4. Any relief not specifically awarded herein is denied.
 5. All costs not specifically addressed herein shall be borne by the individual parties.

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	= \$ 1,000.00
Counter -claim filing fee	= \$ 250.00

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 is the Claimant firm.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

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:

One (1) Pre-hearing session with Panel x \$1,125.00	= \$ 1,125.00
Pre-hearing conference: March 1, 2001	
Four (4) hearing sessions x \$ 1,125.00	= \$ 4,500.00
Hearing Dates: October 30, 2001	
November 1, 2001	
Total Forum Fees	= \$ 5,625.00

1. The panel has assessed \$ 5,625.00 of the forum fees to Claimant First Union Securities, Inc.

FEE SUMMARY

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 4,600.00
<u>Forum Fees</u>	= \$ 5,625.00
Total Fees	= \$ 11, 225.00
<u>Less payments</u>	= \$ 6,725.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,500.00
3. Respondents are jointly and severally liable for:	
Filing Fee	= \$ 250.00
<u>Less payments</u>	= \$ 00
Balance Due NASD Dispute Resolution, Inc.	= \$ 250.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Bertrand C. Moser, Esq.- Public, Presiding Chair
Woody W. Wilson -Public Arbitrator
James E. Lane-Non-Public Arbitrator

Concurring Arbitrators' Signatures

Bertrand C. Moser, Esq.
Public Arbitrator, Presiding Chair

Signature Date

James E. Lane
Non-Public Arbitrator

Signature Date

Concurring in Part, but dissenting from the award against Rita Pennington

Woody W. Wilson
Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

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NASD REGULATION

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FEE SUMMARY

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 4,600.00
Forum Fees	= \$ 5,625.00
Total Fees	= \$ 11,225.00
Less payments	= \$ 6,725.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,500.00

3. Respondents are jointly and severally liable for:

Filing Fee	= \$ 250.00
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Non-Public Arbitrator

1/25/02
Signature Date

Concurring in Part, but dissenting from the award against Rita Pennington

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NASD REGULATION

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Bertrand C. Moser, Esq.
Public Arbitrator, Presiding Chair

Signature Date

James E. Lane
Non-Public Arbitrator

Signature Date

Concurring in Part, but dissenting from the award against Rita Pennington

Woody W. Wilson
Woody W. Wilson
Public Arbitrator

Jan 25, 2002
Signature Date

Date of Service (For NASD-Dispute Resolution office use only)