

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

William Salvie, (Claimant) vs. Mason Hill & Co., Inc. and Gerard Celmer, (Respondents)

Case Number: 00-03785

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, William Salvie, hereinafter referred to as "Claimant", appeared *pro se*.

Respondents, Mason Hill & Co., Inc. ("Mason") and Gerard Celmer ("Celmer"), hereinafter collectively referred to as "Respondents", did not appear at the hearing in this matter.

Previously represented by: Marc J. Ross, Esq. and Sameer Rastogi, Esq., Sichenzia, Ross & Friedman LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: August 24, 2000.

Claimant signed the Uniform Submission Agreement: August 24, 2000.

Statement of Answer filed by Respondents on or about: November 13, 2000.

Mason signed the Uniform Submission Agreement: December 11, 2000.

Celmer signed the Uniform Submission Agreement: December 11, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trades involving the stocks of Be Free Inc., Calico Commerce Inc., Citrix Systems Inc., DME Interactive Holdings Inc., Emisphere Technologies Inc., Lifeminders Inc., Luminant Worldwide Corp., and Netzero Inc.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant assumed the risk of the losses that he alleges in his Statement of Claim; the Statement of Claim fails to set forth any causes of action against Respondents for which relief may be granted; pursuant to the applicable law governing the resolution of this dispute, Claimant is not entitled to seek or recover costs, disbursements, or attorneys' fees; Respondents' actions were within the ordinary course of business, were not wrongful, and did not proximately cause any of the damages claimed to have been sustained by Claimant herein; Claimant was aware of the nature of his investments, and such investments were consistent with his articulated

investment objectives, experience, sophistication, and/or financial circumstances; any loss sustained by Claimant in his account is wholly attributable to market conditions and price fluctuations that are outside the control of Respondents; Claimant was provided with full and fair disclosure of all material facts concerning each transaction executed in his account and he freely consented to each trade; Claimant's claims are barred by the doctrines of waiver, estoppel, ratification, and laches; Claimant is estopped by his own conduct from asserting the claims set forth in his Statement of Claim; Respondents did not violate any applicable law or rule; Respondents did not breach any fiduciary duty owed to Claimant; at all times, Respondents conducted their business in a professional manner and acted in good faith, without knowledge of or participation in any alleged improper conduct; and Mason, in good faith, properly implemented its compliance and supervisory program to ensure that all brokers adhered to state and federal securities laws.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$374,672.00, margin interest in the amount of \$10,769.00, and punitive damages in the amount of \$25,000.00.

Respondents requested that the Statement of Claim be dismissed, and that the Panel grant Respondents such other and further relief as it deems just, equitable, and appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing in this matter, Celmer filed for bankruptcy under Chapter 7 of the Bankruptcy Code. Accordingly, all claims against him were stayed.

Upon review of the file and the representations made by Claimant, the undersigned arbitrators (the Panel") determined that Mason was properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without Mason present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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

1. Mason be and hereby is solely liable for and shall pay to Claimant the sum of \$385,441.00 as compensatory damages.
2. Claimant's request for punitive damages is hereby denied.
3. Mason be and hereby is solely liable for and shall pay to Claimant the sum of \$300.00, 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	= \$ 300.00
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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, Mason Hill & Co., Inc. is a party.

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

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 Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: June 4, 2001	1 session

One (1) Hearing session x \$1,125.00	= \$1,125.00
Hearing Date: July 9, 2001 1 session	
Total Forum Fees	= \$2,250.00

The Panel has assessed all of the forum fees against Mason.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$1,425.00
Refund Due Claimant	= \$1,125.00

As stated in the "Award" section above, Mason is solely liable and shall reimburse Claimant for the \$300.00 filing fee.

2. Mason be and hereby is solely liable for:

Member Fees	= \$2,100.00
Forum Fees	= \$2,250.00
Total Fees	= \$4,350.00
Less payments	= \$1,500.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,850.00

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

ARBITRATION PANEL

Marion Yuen, MA	-	Public Arbitrator, Presiding Chair
Jerry Georges	-	Public Arbitrator
John E. Frary, Esq.	-	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.

Marion Yuen
Marion Yuen, MA
Public Arbitrator, Presiding Chair

7/16/01
Signature Date

Jerry Georges
Public Arbitrator

Signature Date

John E. Frary, Esq.
Industry Arbitrator

Signature Date

July 19, 2001

Date of Service (For NASD office use only)

ARBITRATION PANEL

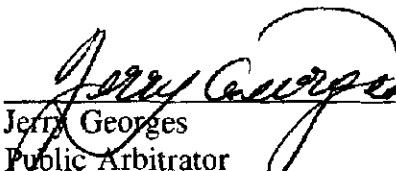
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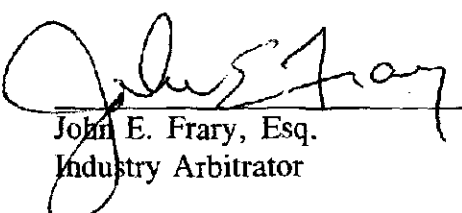
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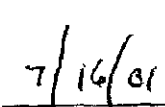
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