

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Name of the Claimant
First Union Securities, Inc.

Case Number: 00-04847

Names of the Respondents
George Cannan, Sr.,
Hector J. Garcia,
Baldrige Venture, Inc.,
Harris Dempsey Ballow, and
Texas Investment Corporation

Hearing Site: Washington, D.C.

REPRESENTATION OF PARTIES

Claimant, First Union Securities, Inc. ("First Union"), hereinafter collectively referred to as "Claimant": Christopher E. Dominguez, Esq., Kirkpatrick & Lockhart LLP, Washington, D.C.

Respondent, George Cannan, Sr. ("Cannan"), hereinafter referred to as "Respondent Cannan": Charles J. Bennardini, Esq., West Palm Beach, FL.

Respondent, Hector J. Garcia ("Garcia"), hereinafter referred to as "Respondent Garcia": Patrick Lanier, Esq., Attorney at Law, Austin, TX. Neither Respondent Garcia nor his attorney appeared at the hearing.

Respondent, Baldrige Venture, Inc. ("BVI"), hereinafter referred to as "Respondent BVI". A representative of Respondent BVI did not appear at the hearing.

Respondent, Harris Dempsey "Butch" Ballow ("Ballow"), hereinafter referred to as "Respondent Ballow": Lee Hamel, Esq., Hamel Bowers & Clark, LLP, Houston, TX. Neither Respondent Ballow nor his attorney appeared at the hearing.

Respondent, Texas Investment Corporation ("TIC"), hereinafter referred to as "Respondent TIC". A representative of Respondent TIC did not appear at the hearing.

CASE INFORMATION

Statement of Claim filed on or about: November 1, 2000

Claimant's representative signed the Uniform Submission Agreement: October 30, 2000

Claimant's Answer to Respondent Cannan's Counterclaim filed: February 12, 2001

Claimant's Answer to Respondent Cannan's Amended Counterclaim filed: August 8, 2001

Statement of Answer, Affirmative Defenses to Statement of Claim, and Counterclaim filed by Respondent Cannan on: January 30, 2001

Respondent Cannan signed the Uniform Submission Agreement: January 17, 2001

Respondent Cannan's Amended Counterclaim filed: July 10, 2001

Respondent Garcia did not file an Answer or Uniform Submission Agreement.
Respondent BVI did not file an Answer or Uniform Submission Agreement.
Respondent Ballow did not file an Answer or Uniform Submission Agreement.
Respondent TIC did not file an Answer or Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract and fraud. The causes of action relate to debit balances in personal and corporate accounts. These causes of action relate to the purchase and sale of Environmental Technologies Corp. (EVTC) and EpicEdge, Inc. (EDG) stocks.

Unless specifically admitted in his Answer, Respondent Cannan denied the allegations made in the Statement of Claim and asserted the following defenses, among others: estoppel; unclean hands; failure to mitigate damages; and, failure to state a cause of action for breach of contract.

Respondent Cannan asserted the following causes of action in his Counterclaim: breach of fiduciary duty, and breach of contract.

Unless specifically admitted in its Answer, Claimant denied the allegations made in Respondent Cannan's Counterclaim and asserted the following defenses, among others: failure to state a claim upon which relief can be granted; no fiduciary duty is owed to Respondent Cannan, whose account was non-discretionary.

RELIEF REQUESTED

At the hearing on May 13, 2002 Claimant revised their relief request. Claimant requested compensatory damages from Respondent Cannan in the amount of \$1,022,108.08, and interest of \$396.02 per day. Claimant requested compensatory damages from Respondents Ballow, Garcia and TIC, jointly and severally, in the amount of \$4,173,103.13, and interest of \$1,136.04 per day. Claimant requested compensatory damages from Respondents Ballow, Garcia and BVI, jointly and severally, in the amount of \$2,886,257.19, and interest of \$743.75 per day. In addition, Claimant requested unspecified amounts of pre and post-judgment interest on the requested compensatory relief, and reimbursement of costs and attorneys' fees.

Respondent Cannan requested compensatory damages, interest, and costs of unspecified amounts.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Cannan filed a voluntary petition for bankruptcy under Chapter 7 of the Bankruptcy Code in United States Bankruptcy Court, Southern District of Florida on September 21, 2001. Therefore, this matter was stayed as to Respondent Cannan.

Claimant's Motion to Consider the matter on the papers submitted was denied by order of the Panel dated October 11, 2001.

Respondents Ballow's and Garcia's Motion to Set Aside the Arbitration was denied by order of the panel dated November 20, 2001. Attached as Exhibit A is a copy of the November 20, 2002 cover letter from NASD Dispute Resolution, Inc. (NASD-DR) and the Panel's Order of that same date with receipts for delivery of certified mail as available.

Respondents Ballow's and Garcia's Special Appearance Objection to Jurisdiction and Memorandum on Scope of Panel Authority to Determine Arbitrability and/or Existence of Arbitration Agreement denied by Order of the Panel dated March 15, 2002. Attached as Exhibit B is a copy of the March 20, 2002 cover letter from NASD-DR and the Panel's Order dated March 15, 2002 with receipts for delivery of certified mail.

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitration panel (the "Panel") determined that Respondents Garcia, BVI, Ballow, and TIC 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 said Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code"). Counsel for Respondents Garcia and Ballow participated in the December 20, 2001 pre-hearing conference call in which the dates of the hearings on May 13-17, 2002 were scheduled and notice of the December 20, 2001 pre-hearing conference call was sent to all parties via facsimile and certified mail, return receipt requested. Attached as Exhibit C is a copy of the December 20, 2001 cover letter from NASD-DR and the Panel's Order of that same date with receipts for delivery of certified mail.

Respondents Garcia, BVI, Ballow, and TIC did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code and their customer agreements with Claimant First Union, and are bound by the determination of the Panel on all issues submitted.

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. That Respondents Ballow, Garcia, BVI and TIC are jointly and severally liable to Claimant First Union and shall pay to Claimant compensatory damages in the amount of \$2,886,257.19. That interest on said amount is awarded at the rate of six percent (6%), to be calculated on a simple basis. Interest shall begin to accrue on May 13, 2002 and shall run until the amount awarded as compensatory damages is paid in full.
2. That Respondents Ballow, Garcia, and TIC are jointly and severally liable to Claimant First Union and shall pay to Claimant compensatory damages in the amount of \$1,286,845.94. That interest on said amount is awarded at the rate of six percent (6%), to be calculated on a simple basis. Interest shall begin to accrue on May 13, 2002 and shall run until the amount awarded as compensatory damages is paid in full.

3. That Respondents Ballow and Garcia are jointly and severally liable to Claimant First Union and shall pay to Claimant compensatory damages in the amount of \$226,896.87. That interest on said amount is awarded at the rate of six percent (6%), to be calculated on a simple basis. Interest shall begin to accrue on May 13, 2002 and shall run until the amount awarded as compensatory damages is paid in full.
4. That the parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below.
5. That any and all requests for relief not specifically addressed herein, are denied in their entirety.

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	= \$2,500
Counterclaim filing fee	= \$ 250

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. Accordingly, First Union Securities, Inc. is a party.

Member surcharge	= \$3,000
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$5,000

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Three (3) Pre-hearing sessions with Panel at \$1,200	= \$3,600
Pre-hearing conferences:	
July 24, 2001	1 session
December 20, 2001	1 session
March 15, 2001	1 session

Four (4) Hearing sessions at \$1,200	= \$4,800
Hearing Dates:	
October 16, 2001	2 sessions
October 17, 2001	1 session
May 13, 2001	1 session

Total Forum Fees	= \$8,400
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The Panel has assessed \$8,400 of the forum fees to Claimant First Union.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Respondent Ballow, reproduction of tapes, reproduction of exhibits = \$ 85.50

Fee Summary

1. Claimant, First Union, is assessed the following fees:

Initial Filing Fee	= \$ 2,500
Member Fees	= \$ 8,600
Forum Fees	= \$ 8,400

Total Fees	= \$ 19,500
Less payments	= \$ 12,300

Balance due NASD Dispute Resolution, Inc.	= \$ 7,200
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2. Respondent Cannan is assessed the following fees:

Filing Fee	= \$ 250
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Total Fees	= \$ 250
Less payments	= \$ 1,250

Refund from NASD Dispute Resolution, Inc.	= \$ 1,000
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2. Respondent Ballow is assessed the following fees:

Administrative Costs	= \$ 85.50
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Total Fees	= \$ 85.50
Less payments	= \$ 250.00

Refund from NASD Dispute Resolution, Inc.	= \$ 164.50
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All balances are payable to NASD Dispute Resolution, Inc. and are due upon receipt pursuant to Rule 10330(g) of the Code.

NASD Dispute Resolution, Inc.

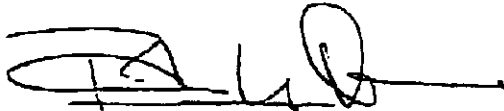
Arbitration No. 00-04347

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ARBITRATION PANEL

Patrick Sean Dolan	-	Public Arbitrator, Presiding Chairperson
Cassandra N. Jones-Havard, Esq.	-	Public Arbitrator, Panelist
Louis Nebel	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Patrick Sean Dolan
Public Arbitrator, Presiding Chairperson

May 14, 2002
Signature Date

Cassandra N. Jones-Havard, Esq.
Public Arbitrator, Panelist

Signature Date

Louis Nebel
Non-Public Arbitrator, Panelist

Signature Date

5/21/2002
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution, Inc.

Arbitration No. 00-04847

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Louis Nebel	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Patrick Sean Dolan
Public Arbitrator, Presiding Chairperson

Signature Date

Cassandra N. Jones-Havard
Cassandra N. Jones-Havard, Esq.
Public Arbitrator, Panelist

5/19/02
Signature Date

Louis Nebel
Non-Public Arbitrator, Panelist

Signature Date

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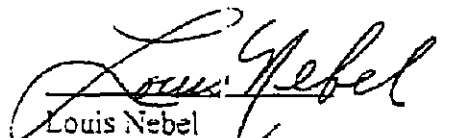
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Patrick Sean Dolan
Public Arbitrator, Presiding Chairperson

Signature Date

Cassandra N. Jones-Havard, Esq.
Public Arbitrator, Panelist

Signature Date



Louis Nebel
Non-Public Arbitrator, Panelist

5/16/02

Signature Date

5/21/2002
Date of Service (For NASD Dispute Resolution office use only)