

**Award
NASD**

In the Matter of the Arbitration Between:

Names of the Claimants

Randall E. Smith
Linda M. Smith

Case Number: 00-05348

Names of the Respondents

GBI Capital Partners f/k/a
Gaines Berland, Inc.
Michael Crow
Tom Tronolone

Hearing Site: Atlanta, Georgia

REPRESENTATION OF PARTIES

For Randall E. Smith and Linda M. Smith, hereinafter collectively referred to as "Claimants": Stuart S. Gordan, Esq. and Steven M. Jampol, Esq., Robinson, Rappaport, Jampol, Aussenberg & Schleicher, LLP, Alpharetta, Georgia.

For GBI Capital Partners f/k/a Gaines Berland, Inc. ("GBI"), Michael Crow ("Crow") and Tom Tronolone ("Tronolone"), hereinafter collectively referred to as "Respondents": David A. Gehn, Esq., Gusrae, Kaplan & Bruno, PLLC, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: November 30, 2001.

Letter dated January 23, 2001 from Steven M. Jampol, Esq. filed.

Amended Statement of Claim filed on or about: February 5, 2001.

Claimants signed the Uniform Submission Agreement: February 8, 2001.

Statement of Answer filed by Respondents GBI and Crow on or about: April 19, 2001.

Answer and Motion to Dismiss filed by Respondent Tronolone on or about: April 19, 2001.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimants asserted the following causes of action: common law fraud; breach of fiduciary duty; unauthorized trading; failure to follow instructions of Claimants; failure to respond to Claimants' request for customer account information; fraudulent misrepresentation; concealment; recommendations of unsuitable highly speculative investments; violations of Section 10(b) of the Securities and Exchange Commission, "know your customer" and suitability rules of NASD; and, Respondents acted as a controlling person under the Securities and Exchange Act Section 20, and/or aided and abetted the illegal conduct of Respondent Crow and/or failed to properly supervise Respondent Crow. The causes of action relate to the purchase and sale of shares of common stock of National Energy Group, Inc., U.S. Energy Systems, Inc., Titan Exploration, Inc., Medical Resources, Inc. and Eagle Geophysical, Inc. in Claimants' account.

Unless specifically admitted in their Answers, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In addition, Respondent Tronolone asserted a Motion to Dismiss which alleged that Claimants have not specified any relevant facts that would support any of their claims against Respondent Tronolone.

RELIEF REQUESTED

Claimants requested actual damages of \$315,638.27, punitive damages of \$946,914.81, interest and reasonable attorneys' fees.

Respondents Crow and GBI requested an award dismissing the claims contained in the Statement of Claim with prejudice, assessing the costs of this arbitration against Claimants, and further relief that the Panel deemed just and equitable.

Respondent Tronolone requested that the panel dismiss him from this proceeding and reimburse him for the costs in connection with submitting the Motion to Dismiss.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD 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, and appeared are bound by the determination of the Panel on all issues submitted.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

On or about August 29, 2001, Claimants informed NASD that they had dismissed, with prejudice, their claims against Respondent Tronolone.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Respondents GBI and Crow are found liable on the claims of breach of fiduciary duty and for violation of NASD rules. As such, Respondents GBI and Crow are liable, jointly and severally, and shall pay to Claimants the sum of \$62,000.00, which sum includes pre-judgment interest.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$500.00

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 member firm is a party.

Member surcharge = \$2,500.00

Pre-hearing process fee = \$600.00

Hearing process fee = \$4,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

December 12, 13 and 14, 2001, adjournment by Respondents. The Panel assessed the adjournment fee of \$1,200.00 to Claimants.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

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:

One Pre-hearing session with a single arbitrator @ \$450.00 = \$450.00

Pre-hearing conference: October 2, 2002 1 session

Two Pre-hearing sessions with the Panel @ \$1,200.00 = \$2,400.00

Pre-hearing conferences: August 27, 2001 1 session

January 3, 2003 1 session

Eight Hearing sessions @ \$1,200.00 = \$9,600.00

Hearing Dates: October 7, 2002 2 sessions

October 8, 2002	2 sessions
October 9, 2002	2 sessions
January 20, 2003	2 sessions

Total Forum Fees	= \$12,450.00
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The Panel has assessed \$6,225.00 of the forum fees to Claimants, jointly and severally.
The Panel has assessed \$6,225.00 of the forum fees to Respondents GBI and Crow, jointly and severally.

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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$500.00
Adjournment Fee	= \$1,200.00
Forum Fees	= \$6,225.00

Total Fees	= \$7,925.00
Less payments	= \$1,700.00

Balance Due NASD	= \$6,225.00
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Respondent GBI is solely liable for:

Member Fees	= \$7,600.00
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Total Fees	= \$7,600.00
Less payments	= \$7,600.00

Balance Due NASD	= \$0.00
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Respondents GBI and Crow are jointly and severally liable for:

Forum Fees	= \$6,225.00
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Total Fees	= \$6,225.00
Less payments	= \$0.00

Balance Due NASD	= \$6,225.00
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All balances are payable to NASD and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Irving M. Shlesinger	-	Public Arbitrator, Presiding Chair
Brian N. Smiley, Esq.	-	Public Arbitrator
Howard S. Levine	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

Irving M. Shlesinger
Public Arbitrator, Presiding Chair

Signature Date

/s/

Brian N. Smiley, Esq.
Public Arbitrator

Signature Date

/s/

Howard S. Levine
Non-Public Arbitrator

Signature Date

February 4, 2003

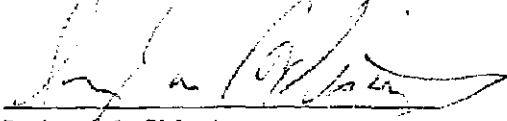
Date of Service (For NASD office use only)

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Public Arbitrator, Presiding Chair


Signature Date

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Public Arbitrator

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Public Arbitrator, Presiding Chair

Signature Date

Brian N. Smiley

Brian N. Smiley, Esq.
Public Arbitrator

1/28/2003

Signature Date

Howard S. Levine
Non-Public Arbitrator

Signature Date

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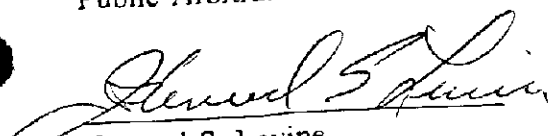
Concurring Arbitrators' Signatures

Irving M. Shlesinger
Public Arbitrator, Presiding Chair

Signature Date

Brian N. Smiley, Esq.
Public Arbitrator

Signature Date



Howard S. Levine
Non-Public Arbitrator

1/30/03

Signature Date

Date of Service (For NASD office use only)