

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Guy Edward Lites, III

Case No. 01-00444

Names of Respondents

Marion Bass Securities Corp.
Jack L. Stapleton
Gerald P. Chandik
T. Michael Costello
Robert J. Brietz, Sr.
Marion F. Bass, Jr.

Hearing Site: Atlanta, Georgia

REPRESENTATION OF PARTIES

For Guy Edward Lites, III ("Lites"), hereinafter referred to as "Claimant": S. Lawrence Polk, Esq. and Todd E. Ratner, Esq., Sutherland Asbill & Brennan LLP, Atlanta, Georgia.

For Respondent Robert J. Brietz, Sr. ("Brietz"), Marion Bass Securities Corp. ("Marion Bass"), Marion F. Bass, Jr. ("Bass") and Jack L. Stapleton ("Stapleton"): Robert H. McKnight, Esq., Freed & Berman, P.C., Atlanta, Georgia.

For Respondent T. Michael Costello ("Costello"): James C. Cosby, Esq., Cantor Arkema & Edmonds, P.C., Richmond, Virginia.

Respondent Gerald P. Chandik ("Chandik") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: January 19, 2001.

First Amended Statement of Claim filed on or about: October 10, 2001.

Claimant's Answer to Counterclaim of Respondent Marion Bass Securities Corp. filed on or about: May 16, 2001.

Claimant signed the Uniform Submission Agreement: January 18, 2001.

Answer of Respondent Robert J. Brietz, Sr. filed on or about: December 26, 2001.

Answer of Respondents Marion Bass Securities Corp. and Jack L. Stapleton and

Counterclaim of Respondent Marion Bass Securities Corp. filed on or about: April 18, 2001.

Answer of Respondent T. Michael Costello filed on or about: January 7, 2002.

Answer of Respondent Marion F. Bass, Jr. filed on or about: February 8, 2002.

Respondent Marion Bass signed the Uniform Submission Agreement: January 15, 2002.

Respondent Stapleton signed the Uniform Submission Agreement: June 15, 2001.

Respondent Bass signed the Uniform Submission Agreement: January 15, 2002.

Respondent Chandik did not file a Statement of Answer or executed Uniform Submission Agreement.

Respondents Brietz and Costello did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted the following causes of action: common law fraud/Rule 10b-5/O.C.G.A. Section 10-5-12/Georgia RICO; common law negligence/gross negligence; breach of fiduciary duty; churning; unsuitable trades/equities securities; failure to follow customer's directions; negligent hiring/failure to supervise; respondeat superior; penny stock violations; failure to send account statements; soliciting a loan from a public customer; failure to supervise uncovered short option trades; unauthorized exercise of discretion in an options account; unsuitable options transactions; and, punitive damages and attorneys' fees. The causes of action relate to Claimant's investments in shares of Pacel Corp. penny stock and other unspecified securities products.

Unless specifically admitted in their Answers, Respondents Marion Bass, Bass, Costello, Stapleton and Brietz denied the allegations made in the Statement of Claim and/or First Amended Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested recovery in the amount of \$467,137.84, together with punitive damages, treble damages under Georgia's RICO statute, attorneys' fees and interest. Further, Claimant requested a dismissal of Respondent Marion Bass' counterclaim.

Respondents Brietz, Stapleton, Bass and Marion Bass requested that all of Claimant's claims be dismissed and that they be awarded their attorneys' fees and any other amounts deemed just and proper by the arbitration panel. Further, Respondent Marion Bass requested that it be awarded the sum of \$80,000.00 plus interest at the legal rate on its counterclaim.

Respondent Costello requested that the Statement of Claim be dismissed, and that he be awarded any costs, forum fees, attorneys' fees and any other monies or damages to be established at the hearing.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Brietz and Chandik 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, Respondent Brietz having answered the claim and Respondents Brietz and Chandik having appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

Respondent Costello did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

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

At the commencement of the evidentiary hearing on February 19, 2002, Claimant informed the arbitration panel that he had entered into a settlement agreement with Respondent Costello.

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:

Claimant's claims are denied in their entirety, and Claimant shall recover nothing from Respondents Marion Bass, Stapleton, Chandik, Brietz and Bass.

Respondent Marion Bass' counterclaim is denied in its entirety, and Respondent Marion Bass shall recover nothing from Claimant.

Any and all relief not specifically addressed herein, including Claimant's requests for punitive and treble damages and the parties' requests for attorneys' fees and costs, are denied.

FEEES

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	= \$500.00
Counterclaim filing fee	= \$1,000.00

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, Marion Bass was a member firm until December 17, 2001, after the accrual of all member fees.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$4,500.00

Adjournment Fees

Adjournments requested during these proceedings:

October 30, 31 and November 1, 2001 Hearing Dates, adjournment by Respondents Marion Bass and Stapleton = \$1,200.00.

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 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 x \$450.00	= \$450.00
Pre-hearing conference: October 11, 2001	1 session

Three Pre-hearing sessions with the Panel x \$1,200.00	= \$3,600.00
Pre-hearing conferences: August 28, 2001	1 session
September 26, 2001	1 session
October 4, 2001	1 session

Six Hearing sessions x \$1,200.00	= \$7,200.00
Hearing Dates: February 19, 2002	2 sessions
February 20, 2002	2 sessions
February 21, 2002	2 sessions

Total Forum Fees	= \$11,250.00
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The panel has assessed the total forum fees of \$11,250.00 to Claimant.

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 in this matter.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$500.00
Forum Fees	= \$11,250.00
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Total Fees	= \$11,750.00
Less payments	= \$1,700.00
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Balance Due NASD Dispute Resolution, Inc.	= \$10,050.00

Respondent Marion Bass be and hereby is solely liable for:

Filing Fee	= \$1,000.00
Member Fees	= \$7,600.00
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Total Fees	= \$8,600.00
Less payments	= \$4,850.00
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Balance Due NASD Dispute Resolution, Inc.	= \$3,750.00

Respondents Marion Bass and Stapleton be and hereby are jointly and severally liable for:

Adjournment Fee	= \$1,200.00
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Total Fees	= \$1,200.00
Less payments	= \$0.00
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Balance Due NASD Dispute Resolution, Inc.	= \$1,200.00

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

Frank A. Lightmas, Jr., Esq.	-	Public Arbitrator, Presiding Chair
Ralph Williams, Jr., Esq.	-	Public Arbitrator
Royce Alan Burns	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/S/ _____
Frank A. Lightmas, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

/S/
Ralph Williams, Jr., Esq.
Public Arbitrator

Signature Date

 /S/
Royce Alan Burns
Non-Public Arbitrator

Signature Date

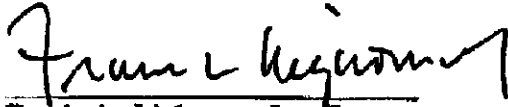
March 20, 2002
Date of Service (For NASD-Dispute Resolution office use only)

NASD Dispute Resolution, Inc.

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Concurring Arbitrators' Signatures



Frank A. Lightmas, Jr., Esq.
Public Arbitrator, Presiding Chair

3/15/02

Signature Date

Ralph Williams, Jr., Esq.
Public Arbitrator

Signature Date

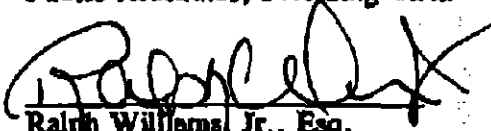
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Public Arbitrator, Presiding Chair

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Ralph Williams, Jr., Esq.
Public Arbitrator

Signature Date



Royce Alan Burns
Non-Public Arbitrator

3/15/2002
Signature Date

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