

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Keith Betts, Betts Pump Service, Inc. and Betts Environmental, Inc.,
(Claimants)

v.

First Union Securities Fiancail, (Respondent)

Case Number: 01-00609

Hearing Site: Houston, Texas

REPRESENTATION OF PARTIES

Claimants Keith Betts, ("Betts") Betts Pump Service, Inc. ("Betts Pump Sevice") and Betts Environmental, Inc., ("Betts Inc."): William S. Shepherd, Esq., of the firm of Shepherd, Smith & Bebel located in Houston, Texas.

Respondent First Union Financial Network, Inc., ("First Union"): Tracy A. Phillips, Esq. of Beirne, Maynard & Parsons, L.L.P., located in Houston, Texas.

CASE INFORMATION

Claimants filed a Joint Statement of Claim on or about March 15, 2001.

Claimants signed the Uniform Submission Agreement: February 28, 2001.

Respondent filed a Statement of Answer on or about May 18, 2001.

Respondent did not execute the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: Breach of Contract, Warranties, Promissory Estoppel and State and Federal Securities Exchange Acts; Breach of Section 27.01 of Texas Business and Commerce Code, the Consumer Protection & Deceptive Trade Practices Act and Violation of the Texas Deceptive Trade Practices Act. In addition, Claimants alleged the following causes of action in common law; fraud, negligence, misrepresentation, breach of fiduciary duty; civil conspiracy; and respondent superior. All of Claimants allegation relate to the sale of common stock.

Unless otherwise admitted in its answer, Respondent denies all allegations in the Statement of Claim and asserts the following affirmative defenses; Claimants' claims are barred due to the contributory fault or negligence of Claimants; Claimants failed to mitigate their alleged damages; Claimants' alleged damages were caused in whole or in part by third parties over whom Respondent has no control; Claimant waived any claims against Respondent; Respondent is not liable to Claimants because, at all relevant times, it acted properly, in good faith, and in a commercially reasonable manner; the claims in the Statement of Claim are barred by the applicable state or federal statutes of limitation; and, Claimants lack standing upon which to pursue their claims.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$500,000.00
Punitive Damages	unspecified
Interest	unspecified
Attorneys' Fees	unspecified

Respondent First Union requested that all claims against them be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The hearing for the above-caption action began on Tuesday, December 11, 2001 in Houston, Texas. Prior to the parties making their opening statements, Respondent First Union Securities Financial Network, Inc., entered an oral Motion to Dismiss based upon the theory that the Panel did not have the authority to hear the case because Claimant, Keith Betts, had filed for Bankruptcy. Respondent's Counsel argued that the Trustee for the Bankruptcy Court had not approved of Claimant's counsel's representation nor had the arbitration been listed on the Court's Docket. The Panel denied Respondents' motion to dismiss and ordered a 60-day continuance of the hearing date. In addition, the Panel ordered Claimants' counsel to make an application to the U.S. Bankruptcy Court and provide proper evidence to the NASD Dispute Resolution, Inc., Respondent and the Arbitration Panel that arbitration is the proper forum to hear this controversy. Claimants' counsel complied with the Panel's order and the arbitration resumed on March 12, 2002.

Respondent 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 filed a Statement of Answer and appeared and testified at the hearing is 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. Respondent First Union Securities Financial Network, Inc., is liable and shall pay to Claimants Keith Betts, Betts Pump Service, Inc. and Betts Environmental, Inc., the sum of \$226,237.00 in compensatory damages;
2. Respondent First Union Securities Financial Network, Inc., is liable and shall pay to Claimants Keith Betts, Betts Pump Service, Inc. and Betts Environmental, Inc., interest in the amount of \$50,903.00;
3. Respondent First Union Securities Financial Network, Inc., is liable and shall pay to Claimants Keith Betts, Betts Pump Service, Inc. and Betts Environmental, Inc., attorneys' fees in the amount of \$110,856.00. In deciding to award attorneys' fees the Panel considered the arguments of the parties as well as the pleadings filed in the arbitration and determined that the authority existed for an award of attorneys' fees;
4. Respondent First Union Securities Financial Network Inc., is liable and shall pay to Claimants Keith Betts, Betts Pump Service, Inc. and Betts Environmental, Inc., costs in the sum of \$10,500.00. Any and all relief not specifically addressed herein, damages, is denied;
5. Unless specifically enumerated herein, the parties shall pay their own costs and attorneys' fees; and,
6. Any and all relief not specifically addressed herein is 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, the member firm is a party.

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

Hearing process fee	= \$2,500.00
Total Member Fees	= \$4,600.00

Adjournment Fees

Adjournments requested during these proceedings: December 11, 2001-December 14, 2001 were adjourned to March 12, 2002- March 15, 2002 at the Panel's request. Pursuant to the Panel's order, no adjournment fee was assessed.

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:

Three (3) Pre-hearing sessions with Panel x \$1,125.00	= \$ 2,250.00
Pre-hearing conferences:	
August 21, 2001	1 session
January 28, 2002	1 session
One (1) Pre-hearing session with a sole Arbitrator x \$450.00	= \$ 450.00
November 11, 2001	1 session
Eleven (11) Hearing sessions x \$1,125.00	= \$ 12,375.00
Hearing Dates:	
December 11, 2001	1 session
March 12, 2002	2 session
March 13, 2002	3 session
March 14, 2002	3 sessions
March 15, 2000	2 sessions
Total Forum Fees	= \$ 15,075.00

The Panel has assessed \$15,075.00 of the forum fees to Respondent First Union Securities Financial Network.

FEE SUMMARY

1. Claimants Keith Betts, Betts Pump Services, Inc. and Betts environmental, Inc are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Less payments	= \$ 1,425.00
Balance refunded by NASD Dispute Resolution, Inc.	= \$ 1,125.00

2. Respondent First Union Securities Financial Network Inc., is solely liable for:

Member Fees	= \$ 4,600.00
Forum Fees	= \$ 15,075.00
Total amount	= \$ 19,675.00
Less payments	= \$ 4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 15,075.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Thomas D. Nagle	-	Public Arbitrator, Presiding Chair
Lenard Alpert	-	Public Arbitrator
John Easterling	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas D. Nagle
Public Arbitrator, Presiding Chair

Signature Date

Leonard Alpert
Public Arbitrator

Signature Date

John Easterling
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution, Inc.
Arbitration Case #: 01-00609
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Public Arbitrator, Presiding Chair

17 APRIL 2002
Signature Date

Leonard Alpert
Public Arbitrator

Signature Date

John Easterling
Non-Public Arbitrator

Signature Date

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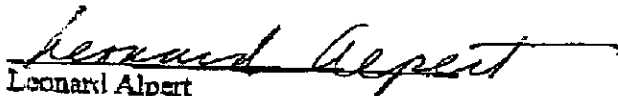
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Public Arbitrator



Signature Date

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Non-Public Arbitrator

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Public Arbitrator, Presiding Chair

Signature Date

Leonard Alpert
Public Arbitrator

Signature Date



John Easterling
Non-Public Arbitrator

4/17/02

Signature Date

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