

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Robert M. Rubin, The Rubin Family Irrevocable Stock Trust, and American United Global, Inc., (Claimants) v. M.S. Farrell & Co., Kirlin Securities, Inc., Douglas F. Gass, and Martin F. Schacker, (Respondents)

Case Number: 01-00733

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Robert M. Rubin ("Rubin"), The Rubin Family Irrevocable Stock Trust ("Trust"), and American United Global, Inc. ("AUGI"), hereinafter collectively referred to as "Claimants": William J. McSherry, Jr., Esq., Arent Fox Attorneys at Law, New York, NY.

Respondents, M.S. Farrell & Co., Inc. ("Farrell"), Martin F. Schacker ("Shacker"), and Douglas F. Gass ("Gass"): Isaac M. Zucker, Esq., Law Offices of Isaac M. Zucker, Syosset, NY.

Respondent, Kirlin Securities, Inc. ("Kirlin"): Martin P. Russo, Esq., Kurzman Eisenberg Corbin Lever & Goodman, LLP, White Plains, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 12, 2001.

First Amended Statement of Claim filed on or about: September 16, 2002.

Second Amended Statement of Claim filed on or about: January 15, 2003.

Response to Motion to Dismiss filed by Claimants Rubin and Trust on or about: March 12, 2003.

Claimant Rubin signed the Uniform Submission Agreement: February 12, 2001.

Claimant Trust signed the Uniform Submission Agreement: February 12, 2001.

Claimant AUGI signed the Uniform Submission Agreement: February 12, 2001.

Joint Statement of Answer to Second Amended Statement of Claim and Motion to Dismiss filed by Respondents Farrell, Schacker, and Gass on or about: February 21, 2003.

Respondent Shacker did not sign the Uniform Submission Agreement.

Respondent Gass did not sign the Uniform Submission Agreement.

Respondent Farrell did not sign the Uniform Submission Agreement.

Respondent Kirlin did not submit a Statement of Answer or sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: fraud, deceit, negligent misrepresentation, and breach of contract.

Claimants' claims involved the following securities: Ego Magazine.com stock, E-Global Communication stock, and Global Digital Media.com stock.

Unless specifically admitted in their Answer, Respondents Farrell, Gass, and Schacker denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested:

1. Compensatory damages in the amount of \$600,000.00, plus interest;
2. Punitive damages in the amount of \$2,000,000.00; and
3. Costs and disbursements of this proceeding.

Respondents Farrell, Gass, and Schacker requested that all claims relating to interference with contractual relations be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

Pursuant to an Order issued by Judge Alice Schlesinger of the Supreme Court of the State of New York dated October 31, 2001, Claimant AUGI was permanently enjoined from continuing this arbitration. The Order directed the parties to proceed with the arbitration of the claims raised by Claimants Rubin and the Trust.

Pursuant to an Interim Order issued by Judge Rosalyn Richter of the Supreme Court of the State of New York dated March 5, 2003, this arbitration was stayed against Respondent Kirlin.

Respondents Farrell, Gass, and Schacker did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but are required to submit to arbitration pursuant to the Code and having answered the claim, appeared and testified at the hearing 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 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. Claimants' claims are hereby denied in their entirety.
2. Pursuant to the Interim Court Order staying this arbitration against Kirlin, no findings were made as to the claims against Kirlin. Claimants may re-assert their claims against Kirlin in a separate proceeding should the Court Order be lifted.
3. Any and all relief not specifically addressed herein including punitive damages are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$600.00
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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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, M.S. Farrell & Co. and Kirlin Securities, Inc. are parties.

<u>M.S. Farrell & Co.</u>	
Member surcharge	= \$3,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

Dec.16-17, 2002 and Jan. 6, 7, 9, 2003, adjournment by parties	= \$1,200.00
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The Panel has assessed \$600.00 of the adjournment fee jointly and severally against Claimants Rubin and Trust.

The Panel has assessed \$600.00 of the adjournment fee against Respondent Farrell.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$1,200.00 = \$3,600.00

Pre-hearing conferences:	July 8, 2002	1 session
	December 17, 2002	1 session
	February 11, 2003	1 session

Five (5) Hearing sessions @ \$1,200.00 = \$6,000.00

Hearing Dates:	July 14, 2003	1 session
	July 15, 2003	2 sessions
	July 17, 2003	2 sessions

Total Forum Fees = \$9,600.00

1. The Panel has assessed \$4,800.00 of the forum fees jointly and severally against Claimants Rubin and Trust.
2. The Panel has assessed \$4,800.00 of the forum fees jointly and severally against Respondents Farrell, Gass, and Schacker.

Fee Summary

1. Claimants Rubin and Trust are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$4,800.00
Total Fees	= \$6,000.00
<u>Less payments</u>	<u>= \$1,800.00</u>
Balance Due NASD Dispute Resolution	= \$4,200.00

2. Respondent Farrell is solely liable for:

Member Fees	= \$8,600.00
<u>Adjournment Fee</u>	<u>= \$ 600.00</u>
Total Fees	= \$9,200.00
<u>Less payments</u>	<u>= \$3,000.00</u>
Balance Due NASD Dispute Resolution	= \$6,200.00

3. Respondents Farrell, Gass, and Schacker are jointly and severally liable for:

<u>Forum Fees</u>	= \$4,800.00
<u>Total Fees</u>	= \$4,800.00
<u>Less Payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$4,800.00


All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Mary Ellen Burns, Esq.	-	Public Arbitrator, Presiding Chair
Hilda H. Boas	-	Public Arbitrator
James J. McCormack	-	Non-Public 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 is which is my award.


Mary Ellen Burns, Esq.
Public Arbitrator, Presiding Chairperson

8/24/03
Signature Date

Hilda H. Boas
Public Arbitrator

Signature Date

James J. McCormack
Non-Public Arbitrator

Signature Date

August 28, 2003
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

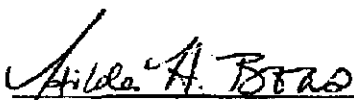
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Hilda H. Boas	-	Public Arbitrator
James J. McCormack	-	Non-Public Arbitrator

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Mary Ellen Burns, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Hilda H. Boas
Public Arbitrator

8-26-03.

Signature Date

James J. McCormack
Non-Public Arbitrator

Signature Date

August 28, 2003
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Mary Ellen Burns, Esq.	-	Public Arbitrator, Presiding Chair
Hilda H. Boas	-	Public Arbitrator
James J. McCormack	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

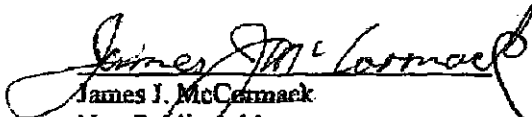
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Mary Ellen Burns, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Hilda H. Boas
Public Arbitrator

Signature Date


James J. McCormack
Non-Public Arbitrator

Aug 27, 2003
Signature Date

August 28, 2003
Date of Service (For NASD Dispute Resolution use only)