

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Internet Technologies, Inc. and Reindeer Investment Holdings, Ltd. (Claimants) v.
Merrill Lynch Pierce Fenner & Smith, Inc. (Respondent) v. David E. Walsh, PSA, Inc.,
and David Loewenstein (Third-Party Respondents)

Case Number: 01-01270

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Internet Technologies, Inc. ("Internet Technologies") and Reindeer Investments Holdings, Ltd. ("Reindeer"), hereinafter collectively referred to as "Claimants": Kellie E. Lagitch, Esq., Ruskin, Moscou, Evans & Faltischek, P.C., Uniondale, NY.

Respondent, Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch"): Christopher G. Karagheuzoff, Esq., Dorsey & Whitney, LLP, New York, NY.

Third-Party Respondent, David E. Walsh ("Walsh"), appeared *pro se*. Previously represented by: Jon D. Cantor, Esq., Calabasas, CA.

Third-Party Respondent, PSA, Inc. ("PSA"): Jon D. Cantor, Esq., Calabasas, CA.

Third-Party Respondent, David Loewenstein ("Loewenstein"): Marc S. Gottlieb, Esq., Law Offices of Marc S. Gottlieb, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 13, 2001.

Internet Technologies signed the Uniform Submission Agreement: March 7, 2001.

Reindeer signed the Uniform Submission Agreement: March 7, 2001.

Statement of Answer and Third-Party Claim against Walsh and PSA filed by Merrill Lynch on or about: May 30, 2001.

Merrill Lynch signed the Uniform Submission Agreement: May 29, 2001.

Joint Response of Walsh and PSA to the Third-Party Claim filed by Merrill Lynch, filed on or about: December 31, 2002.

Walsh did not sign the Uniform Submission Agreement.

PSA did not sign the Uniform Submission Agreement.

Statement of Answer of Loewenstein to the Third-Party Claim filed by Merrill Lynch on

or about: July 22, 2002.

Loewenstein did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of fiduciary duty; negligence; and transfer. Claimants' claims involved common stock of PSA.

Unless specifically admitted in its Answer, Merrill Lynch denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In its Third-Party Claim, Merrill Lynch asserted: indemnification. Respondent's Third-Party Claim involved unspecified types of securities.

Unless specifically admitted in their Answer, Walsh and PSA denied the allegations made in the Third-Party Claim.

Unless specifically admitted in his Answer, Loewenstein denied the allegations made in the Third-Party Claim by Merrill Lynch and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested \$1,764,000 in compensatory damages representing the value of the Dividend Shares improperly removed from their accounts.

In its Answer, Merrill Lynch denied that Internet Technologies and Reindeer are entitled to any damages or any relief from Merrill Lynch. Internet Technologies and Reindeer's claims should be denied and Merrill Lynch should be awarded its attorneys' fees, costs and disbursements and the NASD filing and hearing fees. In the unlikely event that Merrill Lynch is found liable, Merrill Lynch should be indemnified by Walsh, PSA, or Loewenstein as set forth in Merrill Lynch's Third-Party Claim against them and awarded its attorneys' fees, costs and disbursements and the NASD filing and hearing fees.

In their Response to the Third-Party Claim of Merrill Lynch, Walsh and PSA requested that the case be dismissed.

In his Answer to the Third-Party Claim of Merrill Lynch, Loewenstein requested that the Panel dismiss the Third-Party Claim against him, and grant to him such other and further relief as is just and proper, including reimbursement of all forum fees and attorneys' fees associated with the defense of this frivolous Third-Party Claim.

OTHER ISSUES CONSIDERED AND DECIDED

Third-Party Respondents Walsh, PSA, and Loewenstein did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to

submit to arbitration pursuant to the Code and, having answered the claim, and appeared either personally or by counsel at the hearing, are bound by the determination of the Arbitrator Panel on all issues submitted.

Respondent Merrill Lynch is ordered to share, without cost, the stenographic records to all parties, upon request.

Claimants' motion for travel expenses against Walsh is denied.

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 dismissed in their entirety.
2. The Third-Party Claim filed by Merrill Lynch against Walsh, PSA, and Loewenstein is dismissed without prejudice.
3. Any and all relief not specifically addressed herein, including punitive damages, is 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	= \$ 500.00
Merrill Lynch Third-Party Claim filing fee	= \$2,000.00

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. Accordingly, Merrill Lynch 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:

June 16, 17, 18, 19, and 20, 2003, adjournment by Walsh = \$ 1200.00

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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: June 13, 2003 1 session

Six (6) Pre-hearing sessions with Panel @ \$1,200.00 = \$7,200.00
Pre-hearing conferences: June 18, 2002 1 session
September 9, 2002 1 session
February 7, 2003 1 session
February 14, 2003 1 session
June 17, 2003 1 session
September 8, 2003 1 session

Eight (8) Hearing sessions @ \$1,200.00 = \$9,600.00
Hearing Dates: September 12, 2003 2 sessions
September 18, 2003 2 sessions
September 19, 2003 2 sessions
September 24, 2003 2 sessions

Total Forum Fees = \$17,250.00

1. The Panel has assessed \$8,625.00 of the forum fees against Claimants.
2. The Panel has assessed \$8,625.00 of the forum fees against Merrill Lynch.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	<u>= \$ 8,625.00</u>
Total Fees	= \$ 9,125.00
<u>Less payments</u>	<u>= \$ 1,700.00</u>
Balance Due NASD Dispute Resolution	= \$ 7,425.00

2. Merrill Lynch is solely liable for:

Third-Party Claim Filing Fee	= \$ 2,000.00
Member Fees	= \$ 7,600.00
<u>Forum Fees</u>	= \$ 8,625.00
Total Fees	= \$ 18,225.00
<u>Less payments</u>	= \$ 6,300.00
Balance Due NASD Dispute Resolution	= \$ 11,925.00

3. Walsh is solely liable for:

<u>Adjournment Fee</u>	= \$ 1,200.00
Total Fees	= \$ 1,200.00
<u>Less payments</u>	= \$.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

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

Chris P. Drucker Signature Date

Non-Public Arbitrator

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

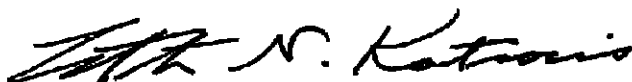
Constantine N. Katsoris, Esq. - Public Arbitrator, Presiding Chair

Bernard S. Carrey, Esq. - Public Arbitrator

Chris P. Drucker - 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.



Constantine N. Katsoris, Esq. Signature Date

Public Arbitrator, Presiding Chairperson

Date of service: October 16, 2003

Bernard S. Carrey Signature Date

Public Arbitrator

ARBITRATION PANEL

Constantine N. Katsoris, Esq.	-	Public Arbitrator, Presiding Chair
Bernard S. Carrey, Esq.	-	Public Arbitrator
Chris P. Drucker	-	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 in which is my award.

Constantine N. Katsoris, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Bernard S. Carrey
Public Arbitrator

Signature Date

Chris P. Drucker
Non-Public Arbitrator

Signature Date

October 16, 2003

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Constantine N. Katsoris, Esq.	-	Public Arbitrator, Presiding Chair
Bernard S. Carrey, Esq.	-	Public Arbitrator
Chris P. Drucker	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

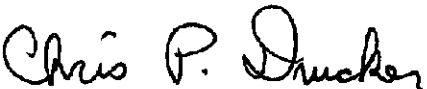
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.

Constantine N. Katsoris, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Bernard S. Carrey
Public Arbitrator

Signature Date



Chris P. Drucker
Non-Public Arbitrator

10-11-03

Signature Date

Date of Service (For NASD Dispute Resolution use only)
October 16, 2003