

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Consolidated Cases Between:

Computer Clearing Services, Inc., Claimant v. Dan Rubin, Beacon Trading, LLC, and Paul J. Benz, Respondents (01-01924)

Beacon Trading, LLC, Paul J. Benz, and Christopher Benz, Claimants v. Computer Clearing Services, Inc., Respondent (01-02053)

Consolidated Case Number: 01-01924

Hearing Site: Los Angeles, California

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**REPRESENTATION OF PARTIES**

For Computer Clearing Services, Inc.:

Jeffrey L. Sikkema, Esq.  
Kent J. Schmidt, Esq.  
Dorsey & Whitney LLP  
Irvine, California

For Dan Rubin:

Leonard Steiner, Esq.  
Steiner & Libo  
Beverly Hills, California

For Beacon Trading, LLC, Paul J. Benz,  
and Christopher Benz:

H. Thomas Fehn, Esq.  
Fields, Fehn & Sherwin  
Los Angeles, California

**CASE INFORMATION 01-01924**

Statement of Claim filed: April 16, 2001

Claimant Computer Clearing Services, Inc.'s Uniform Submission Agreement signed: April 16, 2001

Statement of Answer filed by Respondent Dan Rubin: May 9, 2002

Joint Statement of Answer filed by Respondents Beacon Trading, LLC and Paul J. Benz: June 14, 2001

Respondent Paul J. Benz' Uniform Submission Agreement signed: June 13, 2001

**CASE SUMMARY 01-01924**

Claimant Computer Clearing Services, Inc. alleged breach of contract, unpaid debit balance, misrepresentation, and indemnification, involving shares of GlobalNet, Inc. common stock.

Respondents Dan Rubin, Beacon Trading, LLC, and Paul J. Benz denied the allegations of wrongdoing set forth in Claimant Computer Clearing Services, Inc.'s Statement of Claim.

**RELIEF REQUESTED 01-01924**

Claimant Computer Clearing Services, Inc. requested \$2,602,432.00 in compensatory damages, interest, and costs, including attorney's fees.

Respondent Dan Rubin requested dismissal of Claimant Computer Clearing Services, Inc. Statement of Claim in its entirety, and costs.

**CASE INFORMATION 01-02053**

Claimants Beacon Trading, LLC, Paul J. Benz, and Christopher Benz' Statement of Claim filed: April 17, 2001

Claimant Beacon Trading, LLC's Uniform Submission Agreement signed: undated

Claimant Paul J. Benz' Uniform Submission Agreement signed: undated

Claimant Christopher Benz' Uniform Submission Agreement signed: undated

Statement of Answer and Counter-Claim filed by Respondent/Counter-Claimant Computer Clearing Services, Inc.: June 19, 2001

Respondent/Counter-Claimant Computer Clearing Services, Inc.'s Uniform Submission Agreement signed: June 11, 2001

**CASE SUMMARY 01-02053**

Claimants Beacon Trading, LLC, Paul J. Benz, and Christopher Benz alleged intentional interference with prospective economic advantage, breach of contract, and breach of implied covenant of good faith and fair dealing, involving shares of GlobalNet, Inc. common stock.

Respondent/Counter-Claimant Computer Clearing Services, Inc. denied the allegations of wrongdoing set forth in Claimants Beacon Trading, LLC, Paul J. Benz, and Christopher Benz' Statement of Claim. Respondent/Counter-Claimant Computer Clearing Services, Inc. filed a Counter-Claim alleging breach of contract, unpaid debit balance, misrepresentation, and indemnification.

**RELIEF REQUESTED 01-02053**

Claimants Beacon Trading, LLC, Paul J. Benz, and Christopher Benz requested \$2,000,000.00 in compensatory damages and unspecified punitive damages.

Respondent/Counter-Claimant Computer Clearing Services, Inc. requested dismissal of Claimants Beacon Trading, LLC, Paul J. Benz, and Christopher Benz' Statement of Claim in its entirety. Respondent/Counter-Claimant Computer Clearing Services, Inc. also requested \$2,602,432.00 in compensatory damages, unspecified punitive damages, interest, and costs, including attorney's fees.

**OTHER ISSUES CONSIDERED AND DECIDED**

On or about August 30, 2001, the Director of Arbitration, having reviewed the written submissions of the parties, consolidated the above-referenced matters for hearing purposes into Arbitration Number 01-01924.

In case 01-01924, Dan Rubin and Beacon Trading, LLC, did not file with the NASD Dispute Resolution properly executed submission agreements; however, all said parties are required to submit to arbitration and are bound by the determination of the Panel on all issues submitted.

At the hearing on June 24, 2003, the parties dismissed Dan Rubin and Christopher Benz without prejudice.

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Beacon Trading, LLC is liable to and shall pay Computer Clearing Services, Inc. the sum of \$1,312,742.00 in compensatory damages.
- 2) Beacon Trading, LLC is liable to and shall pay Computer Clearing Services, Inc. interest in the amount of 7% per annum on \$1,312,742.00 from January 30, 2001 until the date that payment of this Award is made in full.
- 3) Paul J. Benz is dismissed with prejudice.
- 4) Beacon Trading, LLC, Paul J. Benz, and Christopher Benz' request for punitive damages is denied.
- 5) The parties shall bear their respective costs, including attorney's fees.
- 6) All other relief requested and not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee (01-01924)	= \$ 2,000.00
Initial claim filing fee (01-02053)	= \$ 2,000.00
Computer Clearing Services, Inc.'s Counterclaim filing fee (01-02053)	= \$ 2,000.00

**Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Computer Clearing Services, Inc. is a party and the following fees are assessed:

**01-01924**

Member Surcharge	= \$ 2,500.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 4,500.00
<b>Total Member Fees</b>	<b>= \$ 7,600.00</b>

**01-02053**

Member Surcharge	= \$ 2,500.00
<b>Total Member Fees</b>	<b>= \$ 2,500.00</b>

The member firm Beacon Trading, LLC is a party and the following fees are assessed:

**01-01924**

Member Surcharge	= \$ 2,500.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 4,500.00
<b>Total Member Fees</b>	<b>= \$ 7,600.00</b>

**01-02053**

Member Surcharge	= \$ 2,500.00
<b>Total Member Fees</b>	<b>= \$ 2,500.00</b>

**Adjournment Fees**

The following adjournment fees are assessed:

October 28-30, 2002 adjournment of hearing dates requested by Dan Rubin= waived  
February 24-26, 2003 stipulated adjournment of hearing dates = waived

**Forum Fees and Assessments**

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

3 Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 3,600.00
Pre-hearing conferences: April 10, 2002	1 session
October 17, 2002	1 session
April 21, 2003	1 session

2 Hearing sessions @ \$1,200.00/session	= \$ 2,400.00
Hearings: June 24, 2003	2 sessions

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<b>Total Forum Fees</b>	<b>= \$ 6,000.00</b>
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1. The Panel assessed \$ 2,600.00 of the forum fees to Computer Clearing Services, Inc.
2. The Panel assessed \$ 1,400.00 of the forum fees to Dan Rubin.
3. The Panel assessed \$ 1,200.00 of the forum fees to Beacon Trading, LLC.
4. The Panel assessed \$ 800.00 of the forum fees jointly and severally to Beacon Trading, LLC, Paul J. Benz, and Christopher Benz.

**Fee Summary**

1. Computer Clearing Services, Inc. is charged with the following fees and costs:

Initial Filing Fee	= \$ 2,000.00
Counter-Claim Filing Fee	= \$ 2,000.00
Member Fees	= \$ 10,100.00
<u>Forum Fees</u>	<u>= \$ 2,600.00</u>
Total Fees	= \$ 16,700.00
<u>Less payments</u>	<u>= \$(13,910.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 2,790.00</b>
2. Dan Rubin is charged with the following fees and costs:

Forum Fees	= \$ 1,400.00
<u>Less payments</u>	<u>= \$( 0.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 1,400.00</b>

3. Beacon Trading, LLC is charged with the following fees and costs:

Member Fees	= \$ 10,100.00
<u>Forum Fees</u>	= \$ 1,200.00
Total Fees	= \$ 11,300.00
<u>Less payments</u>	= \$( 400.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 10,900.00</b>

4. Beacon Trading, LLC, Paul J. Benz and Christopher Benz are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 2,000.00
<u>Forum Fees</u>	= \$ 800.00
Total Fees	= \$ 2,800.00
<u>Less payments made by Beacon Trading, LLC</u>	= \$( 2,800.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

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

**ARBITRATION PANEL**

Reed H. Bement, Esq.	-	Public Arbitrator, Presiding Chair
David C. Hinshaw, Esq.	-	Public Arbitrator
Jonathan Schwartz, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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Reed H. Bement, Esq.  
Chair, Public Arbitrator

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Signature Date

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David C. Hinshaw, Esq.  
Public Arbitrator

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Signature Date

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Jonathan Schwartz, Esq.  
Non-Public Arbitrator

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Signature Date

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Date of Service



ARBITRATION PANEL

Reed H. Bement, Esq.	-	Public Arbitrator, Presiding Chair
David C. Hinshaw, Esq.	-	Public Arbitrator
Jonathan Schwartz, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Reed H. Bement  
Reed H. Bement, Esq.  
Chair, Public Arbitrator

6/30/03  
Signature Date

David C. Hinshaw, Esq.  
Public Arbitrator

Signature Date

Jonathan Schwartz, Esq.  
Non-Public Arbitrator

Signature Date

6/30/03  
Date of Service

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David C. Hinshaw, Esq.	-	Public Arbitrator
Jonathan Schwartz, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

Reed H. Bument, Esq.  
Chair, Public Arbitrator



David C. Hinshaw, Esq.  
Public Arbitrator

Signature Date

June 30, 2003  
Signature Date

Jonathan Schwartz, Esq.  
Non-Public Arbitrator

Signature Date

6/30/03  
Date of Service

**ARBITRATION PANEL**

Reed H. Bement, Esq.	-	Public Arbitrator, Presiding Chair
David C. Hinshaw, Esq.	-	Public Arbitrator
Jonathan Schwartz, Esq.	-	Non-Public Arbitrator

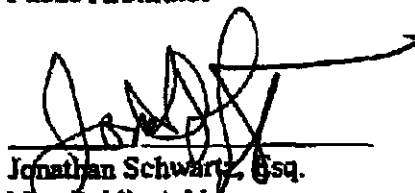
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Reed H. Bement, Esq.  
Chair, Public Arbitrator

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Signature Date

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David C. Hinshaw, Esq.  
Public Arbitrator

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Signature Date

  
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Jonathan Schwartz, Esq.  
Non-Public Arbitrator

6.29.03  
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Signature Date

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Date of Service