

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of Claimants

Damon J. Baldone
Mona Martin Christen
Henry Lawrence Haydel, II
Martin Folse
Karl Haydel, Jr.

Case Number: 05-05395

Names of Respondents

Basic Investors, Inc.
Arthur Daryll Pryor

Hearing Site: New Orleans, Louisiana

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Damon J. Baldone ("Baldone"), Mona Martin Christen ("Christen"), Henry Lawrence Haydel, II ("Henry Haydel"), Martin Folse ("Folse") and Karl Haydel, Jr. ("Karl Haydel"), hereinafter referred to as "Claimants": James F. Willeford, Esq., Willeford Law Firm, New Orleans, Louisiana.

For Basic Investors, Inc., hereinafter referred to as "Basic Investors": Charles M. O'Rourke, Esq., Charles M. O'Rourke, Woodbury, New York.

For Arthur Daryll Pryor, hereinafter referred to as "Pryor": Dana B. Baggs, Esq., Kryz Boyle, P.C., Denver, Colorado.

CASE INFORMATION

Statement of Claim filed on or about: October 20, 2005.

Claimant Baldone signed the Uniform Submission Agreement on: February 17, 2005.

Claimant Christen signed the Uniform Submission Agreement on: August 11, 2005.

Claimant Karl Haydel signed the Uniform Submission Agreement on: August 8, 2005.

Claimant Henry Haydel signed the Uniform Submission Agreement on: August 17, 2005.

Claimant Folse signed the Uniform Submission Agreement on: February 1, 2006.

Respondent Basic Investors signed the Uniform Submission Agreement on: December 21, 2005.

Respondent Pryor signed the Uniform Submission Agreement on: January 11, 2006.

Respondent Pryor's Answer to Statement of Claim filed on or about: January 6, 2006.

Respondent Pryor's Motion to Dismiss filed on or about: January 6, 2006.

Respondent Basic Investors' Answer and Motion to Dismiss filed on or about: January 6, 2006.

Amended Statement of Claim filed on or about: January 31, 2006.

Respondent Pryor's Amended Answer to Statement of Claim filed on or about: February 1, 2006.

Respondent Pryor's Amended Motion to Dismiss filed on or about: February 1, 2006.

Respondent Basic Investors' Amended Answer and Motion to Dismiss filed on or about: February 6, 2006.

Claimants' Reply to Respondent Pryor's and Respondent Basic Investors' Motions to Dismiss filed on or about: March 13, 2006.

Respondent Basic Investors' Second Amended Answer and Motion to Dismiss filed on or about: March 20, 2006.

Respondent Basic Investors' Response to Claimants' Reply Opposition to the Motion to Dismiss filed on or about: March 24, 2006.

Respondent Pryor's Response to Claimants' Reply to Respondents' Motions to Dismiss filed on or about: March 29, 2006.

Claimants' Final Response to Respondent Pryor and Respondent Basic Investors' Motions to Dismiss filed on or about: April 5, 2006.

Respondent Basic Investor's Supplemental Brief in Support of Motion for Expungement filed on or about: June 9, 2006.

Respondent Pryor's Supplemental Brief in Support of Motion for Expungement filed on or about: June 15, 2006.

Claimants' Motion to Reconsider the Motion to Dismiss filed on or about: July 6, 2006.

Respondent Pryor's Response to Claimants' Motion for Reconsideration filed on or about: July 6, 2006.

Respondent Basic Investors' Response to Claimants' Motion for Reconsideration of the Panel's Dismissal of Claim filed on or about: July 17, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: 1) breach of fiduciary duty; 2) failure to supervise; 3) control person liability; 4) unsuitability; 5) misrepresentation and omissions; 6) civil violations of the Louisiana Securities Act; 7) criminal violations of the Louisiana Securities Act; and 8) violations of NASD Rules. The causes of action relate to Claimants' investments, including but not limited to, a variety of subscription agreements, warrants and promissory notes for Telecom Wireless Corporation ("TCOM"), Onlinecheck.com and Environmental Construction Products International ("ECPI").

Unless specifically admitted in their Answers, as amended, Respondents Pryor and Basic Investors denied the allegations made in the Statement of Claim, as amended, and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested: 1) compensatory damages in the amount of \$530,000.00 for Claimants Baldone, Christen and Henry Haydel; 2) compensatory damages in the amount of \$50,000.00 for Claimant Folse; 3) compensatory damages in the amount of \$40,000.00 for Claimant Karl Haydel; 4) legal interest from the time of purchase; 5) attorneys' fees; and 6) other costs.

Respondent Pryor requested that the Panel: 1) dismiss the Statement of Claim, as

amended, in its entirety; 2) enter an order directing that this matter be expunged from Respondent Pryor's NASD Central Registration Depository ("CRD") records; and 3) award costs and attorneys' fees.

Respondent Basic Investors requested that the Panel: 1) dismiss the Statement of Claim, as amended, in its entirety; 2) enter an order directing expungement with all costs assessed against the Claimants to effectuate such expungement including reasonable attorneys' fees; 3) award all costs, expenses, and forum fees incurred by Respondent Basic Investors, including reasonable attorneys' fees; and 4) award punitive or exemplary damages against the Claimants, jointly and severally.

OTHER ISSUES CONSIDERED AND DECIDED

During a telephonic pre-hearing conference on June 8, 2006, the Panel verbally informed the parties that it was considering granting Respondents Basic Investors' and Pryors' respective Motions to Dismiss but did not enter a written order with respect to either the Motions to Dismiss or Expungement at that time. On or about July 6, 2006, Claimants filed a Motion to Reconsider the Motions to Dismiss.

On July 21, 2006, the Panel held a deliberation session and on July 25, 2006, the Panel submitted an order granting Respondents' Motions to Dismiss with prejudice, denying Claimants' Motion for Reconsideration and granting Respondents' Motions for Expungement.

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 oral argument of the parties and briefs on the issue of expungement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

All of Claimants' claims for relief are dismissed, with prejudice. The Panel specifically finds that Claimants' claims are time-barred.

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Basic Investors' and Respondent Pryors' registration records maintained by CRD, with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Basic Investors and Respondent Pryor must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact:

The claim, allegation, or information is factually impossible.

Any and all relief not specifically addressed herein, including the parties' requests for attorney's fees and Respondent Basic's request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure ("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	= \$ 375.00
Counterclaim filing fee	= \$ 500.00

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, Respondent Basic Investors is a party and a member firm.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00
Total Member Fees	= \$7,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments fees assessed during these proceedings.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

There were no three-day cancellation fees assessed during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

There were no injunctive relief fees assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Two (2) Pre-hearing sessions with Panel @ \$1,200.00/session	= \$2,400.00
Pre-hearing conferences: March 15, 2006 1 session	
April 25, 2006 1 session	
One (1) Hearing session with Panel @ \$1,200.00/session	= \$1,200.00
Hearing Date: June 8, 2006 1 session	
Total Forum Fees	= \$3,600.00

The Panel has assessed \$1,800.00 of the forum fees to Claimants, jointly and severally.

The Panel has assessed \$1,800.00 of the forum fees to Respondents Basic Investors and Pryor, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$1,800.00
Total Fees	= \$2,175.00
Less payments	= \$1,575.00
Balance Due NASD Dispute Resolution	= \$ 600.00

Respondent Basic Investors is solely liable for:

Counterclaim Filing Fee	= \$ 500.00
Member Fees	= \$7,000.00
Total Fees	= \$7,500.00
Less payments	= \$7,000.00
Balance Due NASD Dispute Resolution	= \$ 500.00

Respondents Basic Investors and Pryor are jointly and severally liable for:

Forum Fees	= \$ 1,800.00
Total Fees	= \$ 1,800.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,800.00

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

ARBITRATION PANEL

Allen J. Krouse, III, Esq.	-	Public Arbitrator, Presiding Chairperson
W. Patrick Baker, Esq.	-	Public Arbitrator
Robert A. Wojcik	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Allen J. Krouse, III, Esq.
Public Arbitrator, Presiding Chairperson

July 28, 2006
Signature Date

/s/
W. Patrick Baker, Esq.
Public Arbitrator

July 27, 2006
Signature Date

/s/
Robert A. Wojcik
Non-Public Arbitrator

July 31, 2006
Signature Date

July 31, 2006
Date of Service (For NASD Dispute Resolution office use only)

Jul. 27. 2006 3:29PM Resolution
Arbitration No. 05-05395
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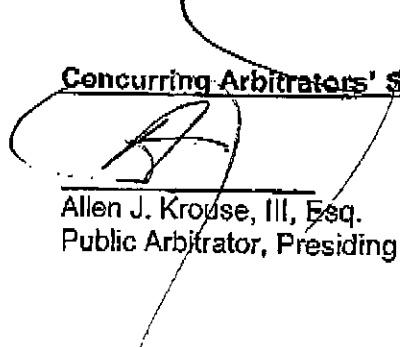
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W. Patrick Baker, Esq.	-	Public Arbitrator
Robert A. Wojcik	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Allen J. Krouse, III, Esq.
Public Arbitrator, Presiding Chairperson

7/28/06.
Signature Date

W. Patrick Baker, Esq.
Public Arbitrator

Signature Date

Robert A. Wojcik
Non-Public Arbitrator

Signature Date

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Concurring Arbitrators' Signatures

Allen J. Krouse, III, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



W. Patrick Baker, Esq.
Public Arbitrator

27 July 2006

Signature Date

Robert A. Wojcik
Non-Public Arbitrator

Signature Date

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Concurring Arbitrators' Signatures

Allen J. Krouse, III, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

W. Patrick Baker, Esq.
Public Arbitrator

Signature Date



Robert A. Wojcik
Non-Public Arbitrator

7-31-06

Signature Date

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