

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Ruby Wartell

v.

Arbitration No.
95-04251

Name of Respondents

David Weiss, Neal Stein, William J. Reininger,
John Klingenstein, Alex Kahan, and
Global Strategies Group, Inc.

REPRESENTATION

For Claimant:

Brian Sheppard, Esq.
Law Offices of Brian Sheppard
Tarzana, California

For Respondent David Weiss:

David Weiss
In Pro Per
Northridge, California

For Respondent Neal Stein:

Did Not Appear

For Respondent William J. Reininger:

Michael R. Matthias, Esq.
Matthias & Berg, L.L.P.
Los Angeles, California

For Respondent John Klingenstein:

John Klingenstein
In Pro Per
West Hills, California

For Respondent Alex Kahan:

Alex Kahan
In Pro Per
Los Angeles, California

CASE INFORMATION

Statement of Claim filed:	September 6, 1995
Claimant's Submission Agreement signed:	August 23, 1995
Statement of Answer filed by Respondent William J. Reininger:	June 26, 1996
Respondent William J. Reininger's Submission Agreement signed:	June 21, 1996
Statement of Answer filed by Respondent Alex Kahan:	April 30, 1996
Statement of Answer filed by Respondent David Weiss:	April 26, 1996
Respondent David Weiss' Submission Agreement signed:	April 26, 1996
Statement of Answer filed by Respondent Global Strategies Group, Inc.:	December 1, 1995
Statement of Answer filed by Respondent John Klingenstein:	February 10, 1997
Respondent John Klingenstein's Submission Agreement signed:	February 10, 1997

HEARING INFORMATION

Pre Hearing Conference Dates / Sessions:	June 11, 1996 (1 Session) December 16, 1996 (1 Session) July 2, 1998 (1 Session) September 8, 1998 (1 Session) September 23, 1998 (1 Session)
Hearing Dates / Sessions:	October 5, 1998 (2 Sessions) October 6, 1998 (3 Sessions)
Hearing Location:	Los Angeles, California

CASE SUMMARY

Claimant alleged breach of fiduciary duty, fraudulent misrepresentation, negligence, breach of trust, and of Respondent Global Strategies Group, Inc., failure to supervise and negligent supervision of Respondent David Weiss.

Respondents denied each and every allegation of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$65,000.00 in compensatory damages, punitive damages, interest at the maximum rate allowed, costs, and attorney's and expert witness fees.

Respondents Global Strategies Group, Inc. and David Weiss requested that the Arbitration Panel dismiss the Claimant's claim in its entirety, with costs and attorney's fees.

Respondents Alex Kahan, John Klingenstein, and William J. Reininger requested that the Arbitration Panel dismiss the Claimant's claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed either in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD Regulation, Inc., Office of Dispute Resolution.

On January 8, 1996, Claimant dismissed Respondent Global Industries Group, Inc.

On November 6, 1998, Claimant dismissed Respondent William J. Reininger with prejudice.

On November 25, 1998 David Weiss filed for bankruptcy, and the arbitration proceeding was stayed as to against him.

The Arbitration Panel unanimously determined that Respondent Neal Stein was properly served in the proceedings and the panel has the jurisdiction to render an award against him.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents John Klingenmeier, and Alex Kahan are liable to and shall pay Claimant the sum of \$88,239.60, consisting of \$86,902.97 in compensatory damages and \$1,336.63 in costs, to be paid to the extent of \$44,119.80 by Respondent John Klingenmeier, and to the extent of \$44,119.80 by Respondent Alex Kahan.
- 2) Respondent Neal B. Stein is liable to and shall pay to Claimant the sum of \$88,239.60, consisting of \$86,902.97 in compensatory damages and \$1,336.33 in costs.
- 3) The maximum amount recoverable by Claimant from Respondents John Klingenmeier, Alex Kahan, and Neal B. Stein is \$88,239.60 in the aggregate.
- 4) Claimant's Claim for punitive damages is denied.
- 5) Each party shall bear its own costs, including attorney's fees.
- 6) All relief not expressly granted is denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

One Single-Panelist Pre-Hearing Conference Sessions @ \$300.00 / Session	= \$300.00
Four Pre-Hearing Conference Sessions @ \$500.00 / Session	= \$2,000.00
Five Hearing Sessions @ \$500.00 / Session	= \$2,500.00
Total Fees Assessed	= \$4,800.00
<u>Total Fees Assessed to Respondent John Klingenmeier</u>	<u>= \$1,600.00</u>
Respondent John Klingenmeier's Balance Due	= \$1,600.00
<u>Total Fees Assessed to Respondent Alex Kahan</u>	<u>= \$1,600.00</u>
Respondent Alex Kahan's Balance Due	= \$1,600.00
<u>Total Fees Assessed to Respondent Neal B. Stein</u>	<u>= \$1,600.00</u>
Respondent Neal B. Stein's Balance Due	= \$1,600.00

The NASD shall refund Claimant's hearing session deposit.
Fees are payable to NASD Regulation, Inc.

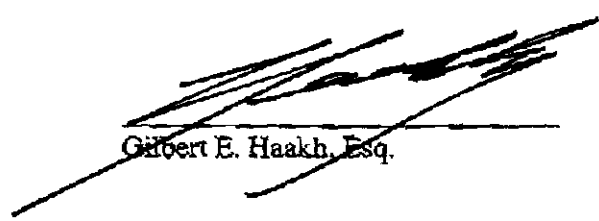
OTHER FEES

Pursuant to Rule 10333 of the Code, Respondent Global Strategies Group, Inc. shall pay to NASD Regulation, Inc. the \$300.00 past due member surcharge previously invoiced.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Gilbert E. Haakh, Esq.	Public Arbitrator
Leo B. Rotter	Industry Arbitrator
Howard Baller	Public Arbitrator

Concurring Arbitrators' Signatures



Gilbert E. Haakh, Esq.

Leo B. Rotter

Howard Baller

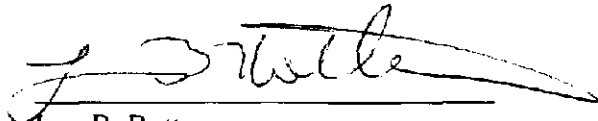
Date of Service: December 18, 1998

ARBITRATORS

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Gilbert E. Haakh, Esq.	Public Arbitrator
Leo B. Rotter	Industry Arbitrator
Howard Baller	Public Arbitrator

Concurring Arbitrators' Signatures

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Leo B. Rotter

Howard Baller

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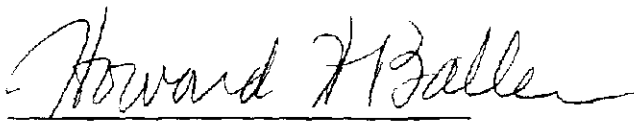
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Date of Service: December 18, 1998