

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Greif & Co.

v.

Arbitration No.
96-04151

Name of Respondents

Valley Industries, Inc.,
Duane H. Zobrist,
R. Phillip Zobrist,
Richard Zobrist,
E. Mark Zobrist,
Gerry Zobrist, and
Lloyd Benson

and

Name of Counterclaimants

Valley Industries, Inc.,
Duane H. Zobrist,
R. Phillip Zobrist,
Richard Zobrist,
E. Mark Zobrist,
Gerry Zobrist, and
Lloyd Benson

v.

Name of Counterrespondent

Greif & Co.

REPRESENTATION

For Claimant:	Aton Arbisser, Esq. Kaye, Scholer, Fierman, Hays & Handler Los Angeles, California
For Respondents:	Robert F. Kull, Esq. Carlsmith, Ball, Wichman, Case & Ichiki Los Angeles, California

CASE INFORMATION

Statement of Claim filed:	September 16, 1996
Claimant's Submission Agreement signed:	September 13, 1996
First Amended Answer and Counterclaim filed by Respondents:	July 9, 1997
Claimant/Counterrespondent's Reply to Counterclaim filed:	July 22, 1997
Respondent Valley Industries, Inc.'s Submission Agreement signed:	November 27, 1996
Respondent Duane H. Zobrist's Submission Agreement signed:	November 20, 1996
Respondent R. Phillip Zobrist's Submission Agreement signed:	November 21, 1996
Respondent Richard Zobrist's Submission Agreement signed:	November 25, 1996
Respondent E. Mark Zobrist's Submission Agreement signed:	November 25, 1996
Respondent Gerry Zobrist's Submission Agreement signed:	November 22, 1996
Respondent Lloyd Benson's Submission Agreement signed:	November 22, 1996

The Parties' Opening Briefs filed: January 7, 1998
The Parties' Closing Briefs filed: February 17, 1998
The Parties' Responses to Closing Briefs filed: February 24, 1998

HEARING INFORMATION

Large and Complex Administrative Conference held: May 14, 1997
Preliminary Hearing Conference Dates / Sessions: September 18, 1997 (1 Session)
October 24, 1997 (1 Session)
January 8, 1998 (1 Session)
Hearing Dates / Sessions: January 12, 1998 (2 Sessions)
January 13, 1998 (2 Sessions)
January 14, 1998 (2 Sessions)
January 15, 1998 (2 Sessions)
January 16, 1998 (2 Sessions)
February 5, 1998 (2 Sessions)
February 6, 1998 (3 Sessions)
February 7, 1998 (2 Sessions)
Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents failed to pay the full investment banking fee and certain reimbursable expenses as required by the fee agreement, thereby breaching the contract.

Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and filed a Counterclaim alleging fraud, misrepresentation, illegality, and breach of fiduciary duty.

Claimant and Counterrespondent denied the allegations of wrongdoing found in the Counterclaimants' Counterclaim.

RELIEF REQUESTED

Claimant sought compensatory damages of \$1,707,127.00, plus interest and costs associated with the arbitration.

Respondent sought rescission of the fee agreement and a refund of fees paid, or, in the alternative, recalculation of the fee previously paid to Claimant, plus interest and costs associated with the arbitration.

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.

The Parties stipulated that this matter would be disposed of pursuant to NASD Code of Arbitration Procedure Rule 10334 (Procedures for Large and Complex Cases); that the hearing location would be Los Angeles, California; that the Parties could select from all Arbitrators on the lists provided by the NASD, irrespective of their classification as industry or public and irrespective of the number of industry or public panelists on the panel; and that the Parties would pay each Arbitrator additional compensation of \$150.00 per hearing session, with the Parties equally dividing said fees, subject to a final determination of the Arbitrators as to whether one or the other Party should bear more or all of such fees.

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 are jointly and severally liable to and shall pay Claimant Greif & Co. compensatory damages in the sum of \$624,541.00.
2. Claimant Greif & Co.'s requests for interest, costs, and attorney's fees are denied in their entirety.
3. All of the Counterclaimants' claims, including the claims for compensatory damages, interest, attorney's fees, and costs are denied in their entirety.

FORUM FEES

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

One Single-Panelist Preliminary Hearing Conference Session @ \$300.00/Session	=	\$300.00
Two Full-Panel Preliminary Hearing Conference Sessions @ \$1,000.00/Session	=	\$2,000.00
Seventeen Hearing Sessions @ \$1,000.00/Session	=	\$17,000.00
<u>Total Fees Assessed</u>	=	<u>\$19,300.00</u>

Claimant's One-Half Share	=	\$9,650.00
Credit for Hearing Session Deposit	=	(\$1,000.00)
<u>Claimant's Balance Due</u>	=	<u>\$8,650.00</u>

Respondents' Joint and Several One-Half Share	=	\$9,650.00
Credit for Hearing Session Deposit	=	(\$1,000.00)
<u>Respondents' Joint and Several Balance Due</u>	=	<u>\$8,650.00</u>

ADDITIONAL ARBITRATOR COMPENSATION

Pursuant to Rule 10334(c)(4), Claimant and Respondents are each liable for one-half of the additional Arbitrator compensation agreed to by the Parties. Any unpaid Arbitrator compensation will be included in the Parties' final invoices which accompany the award.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Blake Weston, Esq.	Industry Arbitrator
Allan B. Currie, Esq.	Industry Arbitrator
Harvey C. Flodin, Esq.	Public Arbitrator

Consenting Arbitrators' Signatures


Blake Weston, Esq.

Allan B. Currie, Esq.

Harvey C. Flodin, Esq.

Date of Service: _____

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Blake Weston, Esq.	Industry Arbitrator
Allan B. Currie, Esq.	Industry Arbitrator
Harvey C. Flodin, Esq.	Public Arbitrator

Concurring Arbitrators' Signatures

Blake Weston, Esq.



Allan B. Currie, Esq.

Harvey C. Flodin, Esq.

Date of Service: _____

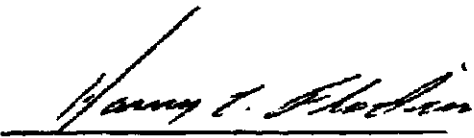
ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Blake Weston, Esq.	Industry Arbitrator
Allan B. Currie, Esq.	Industry Arbitrator
Harvey C. Flodin, Esq.	Public Arbitrator

Concurring Arbitrators' Signatures

Blake Weston, Esq.

Allan B. Currie, Esq.



Harvey C. Flodin, Esq.

Date of Service: MARCH 25, 1998