

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

David Burbidge, Claimant vs. Thomas Tedeschi, Daniel Otoy, Steven Vornea and Salvador Tacher, Respondents.

Case Number: 96-05840

Hearing Site: Salt Lake City, Utah

REPRESENTATION OF PARTIES

Claimant, David Burbidge, hereinafter referred to as "Claimant": Stephen B. Mitchell, Esq., Burbidge & Mitchell, Salt Lake City, Utah

Respondent, Thomas Tedeschi, hereinafter referred to as "Tedeschi": Franklin D. Ormsten, Esq., Ormsten and Evangelist, Jericho, New York

Respondent, Daniel Otoy, hereinafter referred to as "Otoy": Franklin D. Ormsten, Esq., Ormsten and Evangelist, Jericho, New York

Respondent, Steven Vornea, hereinafter referred to as "Vornea": Steven Vornea, Brookville, New York

Respondent, Salvador Tacher, hereinafter referred to as "S. Tacher": Salvador Tacher, Old Brookville, New York

CASE INFORMATION

Statement of Claim filed on or about: December 10, 1996

Claimant's Motion to file an Amendment to the Statement of Claim and Claimant's First Amendment to Statement of Claim filed on or about: March 25, 1998

Claimant's Memorandum in Support of his Motion to Amend the Statement of Claim filed on or about: March 30, 1998

Claimant's Arbitration Brief and Case Summary filed on or about: March 30, 1998 and June 9, 1999

Claimant signed the Uniform Submission Agreement: December 11, 1996

Statement of Answer filed by Respondent, Tedeschi, on or about: April 29, 1997

Statement of Answer filed by Respondent, Otoy, on or about: February 8, 1997

Statement of Answer filed by Respondent, Vornea, on or about: May 19, 1997

Statement of Answer filed by Respondent, S. Tacher, on or about: July 20, 1998

Elias Tacher's and S. Tacher's Opposition to Claimant's Motion to file an Amendment to the Statement of Claim filed on or about: March 23, 1998

Respondent, Otoy, signed the Uniform Submission Agreement: February 6, 1997
Respondent, Vornea, signed the Uniform Submission Agreement: May 1, 1997

CASE SUMMARY

Claimant alleged the following claims with respect to his investment in VideoLan Technologies, Inc.: 1) Violation of Section 10(b) of the 1934 Act and Rule 10b-5; 2) Violation of Utah Uniform Securities Act; 3) Common Law Fraud; 4) Negligent Misrepresentation; 5) Breach of Fiduciary Duty; 6) Breach of Contract; and 7) Negligence.

In separately filed Statements of Answer, Respondents Tedeschi, Otoy, Vornea and S. Tacher, denied Claimant's allegations of wrongdoing and further denied any liability to Claimant. Said Respondents also asserted affirmative defenses.

RELIEF REQUESTED

Claimant requested the following damages with respect to his allegations/claims:

1. As a result of Respondents' violation of Section 10(b) of the 1934 Act and Rule 10b-5, Claimant has suffered damages for a sum in excess of \$117,394.85, together with interest thereon, costs and attorney's fees.
2. As a result of Respondents' violation of Utah Uniform Securities Act, Claimant has a claim for a return of all consideration paid by Claimant (\$231,482.50), 12% interest on all said payments and reasonable attorney's fees. Claimant is further entitled to treble the amount of his actual damages together with interest thereon totalling a sum not less than \$352,184.55.
3. As a result of Respondents' common law fraud, Claimant has a claim for relief in the amount of his loss not less than \$117,394.85. In the alternative, Claimant is entitled to rescind his purchases of the subject securities to recover all consideration paid, together with interest thereon. Claimant is further entitled to punitive damages in a sum not less than \$1,000,000.00.
4. As a result of Respondents' negligent misrepresentation, Claimant has a claim for relief for all damages incurred in a sum not less than \$117,394.85, together with interest thereon, and attorney's fees.
5. As a result of Respondents' breach of its fiduciary duty, Claimant has a claim for relief for the sum of not less than \$117,394.85. Claimant is further entitled to punitive damages in a sum not less than \$1,000,000.00.
6. As a result of Respondents' breach of contract, Claimant has a claim for relief for the sum of not less than the \$117,394.85 lost, and a minimum of \$500,000.00 as promised as guaranteed gain.
7. As a result of Respondents' negligence, Claimant has a claim for relief for the sum of not less than \$117,394.85.

Respondent Tedeschi requested that the Panel dismiss Claimant's claims, together with such other and further relief deemed appropriate.

Respondent Vornea requested that Claimant's claims be dismissed as to him; and that the Panel award Vornea legal fees and interest thereon and such other and further relief as the Panel deems appropriate.

Respondent S. Tacher requested that the Panel dismiss Claimant's claims, together with such other and further relief deemed appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

On or about April 15, 1998, the Panel granted Claimant's Motion to Amend Statement of Claim to add Elias Tacher and Salvador Tacher.

On or about April 15, 1998, the Panel denied Respondent Vornea's Motion to Dismiss.

Respondents Tedeschi and S. Tacher did not file with the NASD Regulation, Inc. Office of Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and are bound by the determination of the Panel on all issues submitted.

Prior to the hearing, the Panel was advised of the bankruptcy filings with respect to Kensington Wells Incorporated, Elias Tacher and Adam Levy and further advised that the above-captioned matter is stayed with respect to said Respondents.

Respondents Vornea and S. Tacher did not appear at hearing. Pursuant to Rule 10318 of the Code, the Panel determined that said Respondents received proper service and notice and ruled to proceed in their absence.

The parties present at hearing 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. Respondents, Tedeschi, Otoy, Vornea and S. Tacher are jointly and severally liable for and shall pay to Claimant the sum of \$18,145.00 without interest except from the date of the award as provided by Rule 10330(h) of the Code adopted May, 1999.

2. Claimant's claims for punitive damages are denied.
3. The parties shall each bear their respective costs including attorney's fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$250.00

Adjournment Fees

Adjournments requested during these proceedings:

The Panel waived the adjournment fee assessed to Adam Levy with respect to the adjourned dates of April 13-17 and 20-24, 1998.

July 6-9, 1999, adjourned by Respondent Tedeschi = \$1,000.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Four (4) Pre-hearing sessions with Panel x \$1,000.00 = \$4,000.00

Pre-hearing conferences:	September 23, 1997	1 session
	April 13, 1998	1 session
	October 23, 1998	1 session
	April 5, 1999	1 session

Six (6) Hearing sessions x \$1,000.00 = \$6,000.00

Hearing Dates:	August 31, 1999	2 sessions
	September 1, 1999	2 sessions
	September 2, 1999	2 sessions

Total Forum Fees = \$10,000.00

1. The Panel has assessed \$5,000.00 of the forum fees to Claimant.
2. The Panel has assessed \$5,000.00 of the forum fees jointly and severally to Respondents, Tedeschi, Otoya, Vornea and S. Tacher.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security. The parties did not incur administrative costs.

Fee Summary

1. Claimant, be and hereby is solely liable for:

Initial Filing Fee	= \$ 250.00
Member Fees	= \$ 0.00
Adjournment Fee	= \$ 0.00
Forum Fees	= \$5,000.00
<u>Administrative Costs</u>	<u>= \$ 0.00</u>
Total Fees	= \$5,250.00
<u>Less payments</u>	<u>= \$1,250.00</u>
Balance Due NASD Regulation, Inc.	= \$4,000.00

2. Respondent, Tedeschi, be and hereby is solely liable for:

Adjournment Fee	= \$1,000.00
<u>Administrative Costs</u>	<u>= \$ 0.00</u>
Total Fees	= \$1,000.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Regulation, Inc.	= \$1,000.00

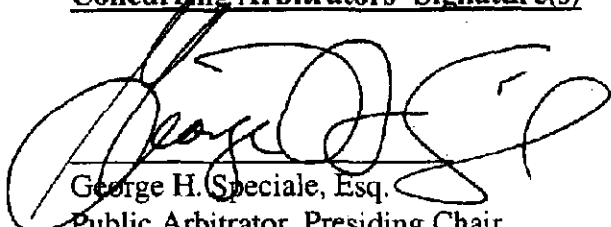
3. Respondents, Tedeschi, Otoy, Vornea and S. Tacher, be and hereby are jointly and severally liable for:

Forum Fees	= \$5,000.00
<u>Administrative Costs</u>	<u>= \$ 0.00</u>
Total Fees	= \$5,000.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Regulation, Inc.	= \$5,000.00

All balances are due to NASD Regulation, Inc. and are payable within 30 days of the service date of this Award.

NASD Regulation, Inc. Office of Dispute Resolution
Arbitration No. _____
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Concurring Arbitrators' Signature(s)


George H. Speciale, Esq.
Public Arbitrator, Presiding Chair

Sept 24, 1999
Signature Date

Jeffrey W. Shields, Esq.
Public Arbitrator

Signature Date

E. Y. Bennion
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

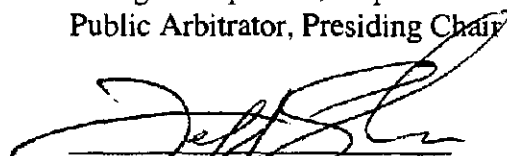
Date Served:

SEP 30 1999

Concurring Arbitrators' Signature(s)

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Public Arbitrator, Presiding Chair

Signature Date


Jeffrey W. Shields, Esq.
Public Arbitrator

9/24/99
Signature Date

E. Y. Bennion
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

Date Served:

SEP 30 1999

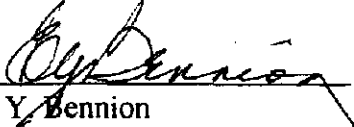
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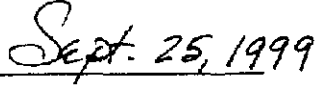
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