

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Robert and Fran Lax

Case No. 97-00061

Name of Respondents

Kensington Wells, Inc.
Joel Grant
Mark Luxenberg
Elias Tacher
Salvador Tacher
Steven Vornea
Adam Levy

REPRESENTATION OF PARTIES

Claimants, Robert and Fran Lax ("Claimants"): Timothy J. Dennin, Esq., sole practitioner, New York, NY.

Respondent, Salvador Tacher ("Tacher"): originally, Allison M. Jonsen, Esq., Lehman & Eilen, Uniondale, NY. Counsel later withdrew and Tacher did not appear at the hearing in this matter.

Respondent, Steven Vornea ("Vornea"): originally, Scott L. Silver, Esq., Gusrae, Kaplan & Bruno, New York, NY. Counsel later withdrew and Vornea did not appear at the hearing in this matter.

CASE INFORMATION

Statement of Claim filed on or about: January 6, 1997

Claimants signed the Uniform Submission Agreement: December 26, 1996

Amended Statement of Claim filed on or about: December 1, 1997.

Statement of Answer filed by Respondent, Tacher, on or about: January 8, 1998

Respondent, Tacher, did not sign a Uniform Submission Agreement.

Statement of Answer filed by Respondent, Vornea, on or about: February 23, 1998.

Respondent, Vornea, did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: refusal to execute sell orders, fraud, misrepresentation, omitting to disclose risks and unauthorized trading. The causes of action relate to transactions involving Videolan Technologies, Inc. stock.

Unless specifically admitted in its Answer, Respondent, Tacher, denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants understood the risks associated with the transactions made in their account and assumed those risks, Claimants authorized and directed all transactions in their account, Claimants; failed to mitigate damages, Claimants' claims are barred by the applicable statutes of limitations.

Unless specifically admitted in its Answer, Respondent, Vornea, denied the allegations made in the Statement of Claim and asserted the following defenses: claims for attorneys' fees may not be awarded in New York absent an express agreement, Claimant has no basis for punitive damages, Claimant fails to plead fraud with particularity against Vornea. Vornea also requested that certain exhibits attached to the Statement of Claim be stricken.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$436,250.00
Punitive Damages	unspecified
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified

Respondent, Tacher, requested that the panel dismiss the Statement of Claim, together with such other and further relief deemed appropriate.

Respondent, Vornea, requested that the Statment of Claim be dismissed as to him, the panel award legal fees and interest thereon and that his Motion to Strike be granted.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Kensington Wells, Inc., Elias Tacher and Adam Levy filed for bankruptcy protection and, accordingly, all claims against these parties were stayed pursuant to applicable bankruptcy laws.

The NASD was advised that Claimants entered into a settlement agreement with Respondents Joel Grant and Mark Luxenberg prior to the hearing in this matter.

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondents Tacher and Vornea have been properly served with the Statement of Claim and received due notice of the hearing, and

that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents Tacher and Vornea did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

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.

Claimants requested a specific finding of fraud against Respondents Sal Tacher and Steven Vornea. The panel specifically finds that fraud is one of the bases of liability of Respondents Sal Tacher and Steven Vornea in this case and award.

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 Sal Tacher and Steven Vornea, jointly and severally, be and hereby are liable to Claimants for the sum of \$107,100.75 in compensatory damages, plus interest at the rate of 9% annually from January 23, 1996 until payment.
2. Respondents Sal Tacher and Steven Vornea, jointly and severally, shall pay to Claimants the sum of \$6,465.00 in costs.
3. All other claims for relief are hereby denied in their entirety.

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 = \$200.00

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm was a party.

Member surcharge = \$350.00

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 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 a single arbitrator x \$300.00 = \$ 600.00

Pre-hearing conferences: October 29, 1997 - 1 session

July 20, 1998 - 1 session

Three (3) Hearing sessions x \$750.00 = \$2,250.00

Hearing Dates: November 19, 1997 - 1 session

March 29, 1999 - 1 session

October 4, 1999 - 1 session

Total Forum Fees = \$2,850.00

The Panel has assessed \$2,850.00 of the forum fees, jointly and severally, to Respondents Sal Tacher and Steven Vornea.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Filing Fee = \$ 200.00

Less payments = \$ 200.00

Balance due NASD Regulation, Inc. = \$ 0.00

2. Respondents Tacher and Vornea be and hereby are jointly and severally liable for:

Forum Fees = \$2,850.00

Balance due NASD Regulation, Inc. = \$2,850.00

All balances are due and payable to NASD Regulation, Inc.

Arbitrators' Signature(s)

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Richard E. Lerner, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Berthold H. Hoeniger, Esq.
Public Arbitrator

Signature Date



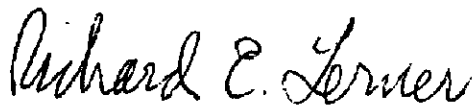
John B. Ryan
Industry Arbitrator

11/1/99
Signature Date

November 17, 1999
Date of Service (For NASD office use only)

Arbitrators' Signature(s)

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Richard E. Lerner, Esq.
Public Arbitrator, Presiding Chair

11/6/99
Signature Date

Berthold H. Hoeniger, Esq.
Public Arbitrator

Signature Date

John B. Ryan
Industry Arbitrator

Signature Date

November 17, 1999
Date of Service (For NASD office use only)