

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Philip F. Kennedy, Jr. and Melba J. Kennedy, JTWROS, Claimants v. Gerard Bruzzese, First National Equity Corp., Jeffery S. Szur, Kenneth Mandile, Alan P. Gordin, Respondents

Case Number: 98-00411

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

William Torngren, Esq.
Law Offices of William
Torngren
Sacramento, California

For Respondents

Gerard Bruzzese:

Gerard Bruzzese
In Pro Per
Brooklyn, New York

First National Equity Corp.:

Jeffrey S. Szur, President
First National Equity Corp
Pt. Pleasant, New Jersey

Jeffrey S. Szur:

Jeffrey S. Szur
In Pro Per
Brooklyn, New York

Kenneth Mandile:

Kenneth Mandile
In Pro Per
Staten Island, New York

Alan P. Gordin:

Alan P. Gordin
In Pro Per
New York, New York

CASE INFORMATION

Statement of Claim filed: January 27, 1998

Claimants' Uniform Submission Agreement signed: January 29, 1998

Respondent Gerard Bruzzese's Uniform Submission Agreement signed: March 6, 1998

Statement of Answer filed by Respondent Gerard Bruzzese: March 27, 1998

Amended Statement of Claim filed: November 12, 1998

Second Amended Statement of Claim filed: August 24, 2000

CASE SUMMARY

In their Original and Amended Statements of Claim, Claimants alleged suitability, breach of contract, breach of fiduciary duty, negligence, fraud by omission, unauthorized transactions, breach of the implied covenant of good faith and fair dealing, violation of NASD Code of Conduct, violation of California Business and Professions Code Section, and violation of California Corporate Securities Law. Allegations arose out of the purchase and/or sale of securities in Advanced Tissue Sciences, Inc., Verilink Corporation, and Orlando Super Card.

Respondent Gerard Bruzzese denied the allegations of wrongdoing set forth in the Claimants' Original and Amended Statements of Claim.

Respondents First National Equity Corp., Jeffrey S. Szur, Kenneth Mandile, and Alan P. Gordin did not a Statement of Answer.

RELIEF REQUESTED

In their Statements of Claim, Claimants sought \$35,452.05 in compensatory damages, punitive damages, interest, disgorgement of commissions, restitution, and sought reimbursement for attorney's fees, and costs of arbitration.

Respondent Gerard Bruzzese requested Claimants' Original and Amended Statements of Claim be dismissal in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Pursuant to Court Order, the NASD Dispute Resolution, Inc. has stayed the matter against Respondent First National Equity Corp. and the case is severed as to that Respondent.

Respondents First National Equity Corp., Jeffrey S. Szur, Kenneth Mandile, and Alan P. Gordin did not file with the NASD Dispute Resolution, Inc. properly executed submission agreements 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.

Upon review of the file and the representations made on behalf of the Claimants, the undersigned Panel determined that Respondents Jeffrey S. Szur, Kenneth Mandile, and Alan P. Gordin were properly served with the Statements of Claim and received due notice of the hearing. In accordance with this finding, the arbitration of the matter proceeded without the said Respondents present, in accordance with the Code.

The parties at the hearing 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) The Award herein made arises from and is based upon the intentional, deliberate and purposeful fraud and misconduct of the Respondents and each of them.
- 2) Respondents Gerard Bruzzese, Jeffrey S. Szur, Kenneth Mandile, and Alan P. Gordin are jointly and severally liable to and shall pay Claimants \$8,000.00 in compensatory damages.
- 3) Respondents Gerard Bruzzese, Jeffrey S. Szur, Kenneth Mandile, and Alan P. Gordin are jointly and severally liable to and shall pay Claimants \$7,200.00 in interest.
- 4) Respondents Gerard Bruzzese and Jeffrey S. Szur are jointly and severally liable to and shall pay Claimants \$40,000.00 in punitive damages.
- 5) Each party shall bear its own costs, including attorney's fees.
- 6) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee = \$120.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Panel.

The following fees are assessed:

(1) Pre-hearing conference session with a single arbitrator @ \$ 300.00/session = \$ 300.00
Pre-hearing conference: January 12, 2001 1 session

(4) Pre-hearing conference sessions with the Panel @ \$400.00/session = \$1,600.00
Pre-hearing conferences: June 11, 1998 1 session
November 6, 1998 1 session
August 24, 2000 1 session
October 23, 2000 1 session

(2) Hearing sessions @ \$400.00/session = \$ 800.00
Hearings: January 24, 2001 2 sessions

Total Forum Fees = \$2,700.00

The Panel assessed \$ 2,700.00 of the forum fees jointly and severally to Respondents Gerard Bruzzese, Jeffrey S. Szur, Kenneth Mandile, and Alan P. Gordin.

Fee Summary

1. Claimants Philip F. Kennedy, Jr. and Melba J. Kennedy, JTWROS are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 120.00
<u>Less Payments</u>	<u>= \$(520.00)</u>
Refund Due Claimants	= \$(400.00)

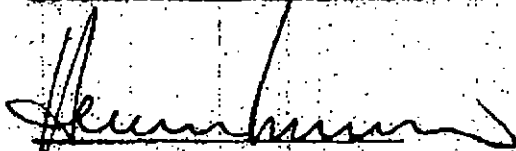
2. Respondents Gerard Bruzzese, Jeffrey S. Szur, Kenneth Mandile, and Alan P. Gordin are charged jointly and severally with the following fees and costs:

<u>Forum Fee</u>	<u>= \$ 2,700.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,700.00

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

NASD Dispute Resolution, Inc.
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Concurring Arbitrators' Signatures



Herbert Muretz, Esq.
Chair, Public Arbitrator

Richard S. Mannheimer
Public Arbitrator

Christopher J. Rogers
Industry Arbitrator

Feb 5, 2001
Signature Date

Signature Date

Signature Date

February 13, 2001
Date of Service

Concurring Arbitrators' Signatures

Herbert Murez, Esq.
Chair, Public Arbitrator

Signature Date


Richard S. Mannheimer
Public Arbitrator

2/5/01
Signature Date

Christopher J. Rogers
Industry Arbitrator

Signature Date

Christopher J. Rogers
Industry Arbitrator

Date of Service


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Herbert Murez, Esq.
Chair, Public Arbitrator

Signature Date

Richard S. Mannheimer
Public Arbitrator

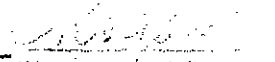
Signature Date



Christopher J. Rogers
Industry Arbitrator

2-7-01

Signature Date



Christopher J. Rogers
Industry Arbitrator

Date of Service