

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Cleveland Walcutt and Cleveland Walcutt TTEE U/A DTD 9/22/93, by Cleveland Walcutt, jointly and severally,
Claimants

vs.

Case Number: 99-1551

Hearing Site: Detroit, Michigan

John Bruzzese, Fred Plan, and David Mellio, jointly and severally,
Respondents.

REPRESENTATION OF PARTIES

Claimants, Cleveland Walcutt and Cleveland Walcutt TTEE U/A DTD 9/22/93, by Cleveland Walcutt, hereinafter collectively referred to as "Claimants": Walter Baumgardner, Esq., Musilli, Baumgardner, Wagner & Parnell, St. Clair Shores, Michigan.

Respondent, John Bruzzese ("Bruzzese"), hereinafter referred to as "Respondent": did not appear.

Respondent, Fred Plan ("Plan"), hereinafter referred to as "Respondent(s)": did not appear.

Respondent David Mellio, removed as a party per Claimants' request per August 20, 1999, correspondence.

CASE INFORMATION

Statement of Claim filed on or about: March 26, 1999

Amended Statement of Claim filed on or about: May 4, 1999

Claimant signed the Uniform Submission Agreement: April 16, 1999

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; common law fraud; conspiracy; promissory estoppel; conversion; negligence; malpractice; breach of fiduciary duty; breach of federal securities law; breach of Michigan securities law; negligent supervision. The causes of action relate to the Respondents' recommendation of speculative investments.

RELIEF REQUESTED

Claimants requested the following relief jointly and severally: \$183,454.00 as out-of-pocket losses, plus interest at 12%, costs, actual attorney fees, exemplary and punitive damages, additional damages as determined by the Panel, rescission of all transactions and payment of all monies necessary to make Claimants whole.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondents John Bruzzese and Fred Plan 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 John Bruzzese and Fred Plan 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 are bound by the determination of the Panel on all issues submitted.

Respondent David Mellio was removed as a party pursuant to Claimants' request. The Panel did not adjudicate any claims against David Mellio.

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 John Bruzzese and Fred Plan are jointly and severally liable for and shall pay to Claimants Cleveland Walcutt and Cleveland Walcutt TTEE U/A DTD 9/22/93, by Cleveland Walcutt, jointly and severally, the sum of \$183,454.00 in compensatory damages;
- 2.) Respondents John Bruzzese and Fred Plan are jointly and severally liable for and shall pay to Claimants Cleveland Walcutt and Cleveland Walcutt TTEE U/A DTD 9/22/93, by Cleveland Walcutt, jointly and severally, the sum of \$61,151.00 in attorneys fees pursuant to MCLA 451.810(a);
- 3.) Respondents John Bruzzese and Fred Plan are jointly and severally liable for and shall pay to Claimants, Cleveland Walcutt and Cleveland Walcutt TTEE U/A DTD 9/22/93, by Cleveland Walcutt, jointly and severally, the sum of \$1,125.00 as reimbursement for forum fees retained by NASD;
- 4.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 5.) That any relief not specifically enumerated, including punitive and exemplary damages is hereby denied with prejudice.

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 = \$ 300.00

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 is the Respondents' former firm, Euro-Atlantic Securities, Inc.

Member surcharge = \$1,500.00 (waived)

Adjournment Fees

Adjournments requested during these proceedings: N/A

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:

One (1) Pre-hearing session with Panel x \$1,125.00 = \$1,125.00
Pre-hearing conference: March 3, 2000 1 session

One (1) Hearing session x \$1,125.00 = \$1,125.00
Hearing Date: May 2, 2000 1 session

Total Forum Fees = \$2,250.00

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Cleveland Walcutt and Cleveland Walcutt TTEE U/A DTD 9/22/93, by Cleveland Walcutt.

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to John Bruzzese and Fred Plan.

Fee Summary

Claimants, Cleveland Walcutt and Cleveland Walcutt TTEE U/A DTD 9/22/93, by Cleveland Walcutt, be and hereby are jointly and severally liable for:

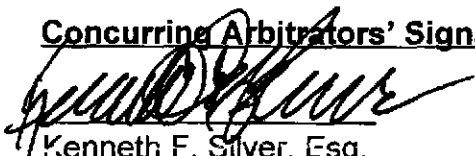
Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 1,125.00</u>
Total Fees	= \$ 1,425.00
<u>Less payments</u>	<u>= \$ 1,425.00</u>
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondents, John Bruzzese and Fred Plan, be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 1,125.00
<u>Total Fees</u>	= \$ 1,125.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Regulation, Inc.</u>	= \$ 1,125.00

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signatures


Kenneth F. Silver, Esq.
Public Arbitrator, Presiding Chair

5/8/00
Signature Date

James C. Steffl, Esq.
Public Arbitrator

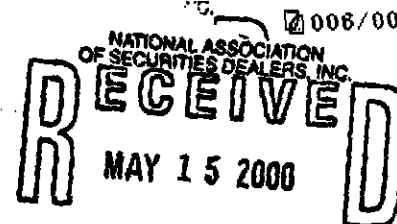
Signature Date

Bruce F. Coleman
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Respondents, John Bruzzese and Fred Plan, be and hereby are jointly and severally liable for:

Forum Fees	= \$ 1,125.00
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Less payments	= \$ 0.00
Balance Due NASD Regulation, Inc.	= \$ 1,125.00

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Kenneth F. Silver, Esq.
Public Arbitrator, Presiding Chair

Signature Date

James C. Steffl, Esq.
Public Arbitrator

Signature Date

A handwritten signature in cursive script, appearing to read "Bruce F. Coleman".

Bruce F. Coleman
Industry Arbitrator

5-8-00
Signature Date

Date of Service (For NASD office use only)

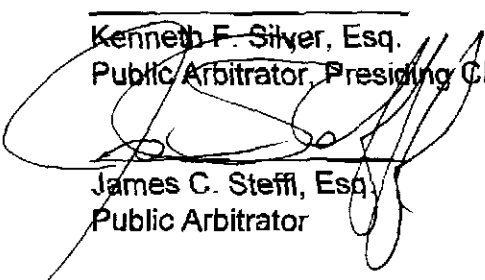
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All balances are due to NASD Regulation, Inc.

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Public Arbitrator, Presiding Chair


James C. Steffl, Esq.
Public Arbitrator


Bruce F. Coleman
Industry Arbitrator

Signature Date



Signature Date

Signature Date

Date of Service (For NASD office use only)