

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Lisa Walter, Ed Hanks, Hanwill Limited Partnership, Patricia Burbank, David S. Becker, Glen Burger, Henry F. Evans DMD Profit Sharing Plan, James Felt, James Seltzer, Rachel E. Seltzer UTMA/CA, Robert I. Seltzer UTMA, James M. Seltzer, M.D. Inc. PSP #1, James M. Seltzer, M.D. PSP #2, Emilie Spear, Claimants v. Sentra Securities Corporation, Robert Plomgren, Gregory Fitzpatrick, Respondents

Case Number: 99-01596

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimants:

Matthew R. Rutherford, Esq.
Law Offices of Matthew R.
Rutherford
San Diego, California

For Respondent Robert L. Plomgren:

Did Not Appear

CASE INFORMATION

Statement of Claim filed: April 1, 1999

Claimant Lisa Walter's Uniform Submission Agreement signed: October 8, 1998

Claimant Ed Hank's Uniform Submission Agreement signed: October 8, 1998

Claimant Hanwill Limited Partnership's Uniform Submission Agreement signed: October 8, 1998

Claimant Patricia Burbank's Uniform Submission Agreement signed: October 6, 1998

Claimant David S. Becker's Uniform Submission Agreement signed: November 12, 1998

Claimant Glen Burger's Uniform Submission Agreement signed: October 6, 1998

Claimant Henry F. Evans DMD Profit Sharing Plan's Uniform Submission Agreement signed: October 16, 1998

Claimant James Felt's Uniform Submission Agreement signed: September 29, 1998

Claimant James Seltzer's Uniform Submission Agreement signed: December 4, 1998

Claimant Rachel E. Seltzer's UTMA/CA Uniform Submission Agreement signed: December 4, 1998

Claimant Robert I. Seltzer's UTMA Uniform Submission Agreement signed: December 4, 1998

Claimant James M. Seltzer's, M.D. Inc. PSP #1 Uniform Submission Agreement signed: December 4, 1998

Claimant James M. Seltzer's, M.D. PSP #2's Uniform Submission Agreement signed: December 4, 1998

Claimant Emilie Spear's Uniform Submission Agreement signed: October 1, 1998

Joint Statement of Answer filed by Respondents Sentra Securities Corporation and Gregory D. Fitzpatrick: September 15, 1999

Respondent Sentra Securities Corporation's Uniform Submission Agreement signed: August 5, 1999

Respondent Gregory D. Fitzpatrick's Uniform Submission Agreement signed: August 17, 1999

CASE SUMMARY

Claimants alleged unsuitability, violation of California Corporations Code Section 25500, et seq., breach of fiduciary duty, fraud and concealment, vicarious liability, respondeat superior and control person liability, and a failure to supervise. The claim involved the purchase and/or sale of Envirosafe Recycling, Inc. (ENVIROSAFE) stock.

Respondents Sentra Securities Corporation and Gregory D. Fitzpatrick denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

Respondent Robert Plomgren did not file an answer.

RELIEF REQUESTED

Claimants requested \$628,000.00 in compensatory damages, \$1,500,000.00 in punitive damages, \$256,000.00 in lost opportunity and loss of investment income, and sought attorney's fees, and costs of arbitration.

Respondents Sentra Securities Corporation and Gregory D. Fitzpatrick requested dismissal of the Claimants' Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimants, the undersigned Panel determined that Respondent Robert L. Plomgren has 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 Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Robert L. Plomgren did not file with the NASD Dispute Resolution, Inc. a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

On August 8, 2000, Claimant dismissed without prejudice Respondent Gregory D. Fitzpatrick from this action.

On August 8, 2000, Claimant settled all claims with Respondent Sentra Securities Corporation.

The parties 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, and the post-hearing submissions, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Robert Plomgren is liable to and shall pay Claimant Hanwill Limited Partnership \$118,200.00 in compensatory damages.
- 2) Respondent Robert Plomgren is liable to and shall pay Claimant Patricia Burbank \$34,325.00 in compensatory damages.
- 3) Respondent Robert Plomgren is liable to and shall pay Claimant Glen Burger \$41,025.00 in compensatory damages.
- 4) Respondent Robert Plomgren is liable to and shall pay Claimant Henry F. Evans DMD Profit Sharing Plan \$73,750.00 in compensatory damages.
- 5) Respondent Robert Plomgren is liable to and shall pay Claimant James Felt \$40,400.00 in compensatory damages.
- 6) Respondent Robert Plomgren is liable to and shall pay Claimant James Seltzer \$41,410.15 in compensatory damages.
- 7) Respondent Robert Plomgren is liable to and shall pay Claimant Rachel E. Seltzer UTMA/CA \$19,612.50 in compensatory damages.
- 8) Respondent Robert Plomgren is liable to and shall pay Claimant Robert I. Seltzer UTMA \$19,612.50 in compensatory damages.
- 9) Respondent Robert Plomgren is liable to and shall pay Claimant James M. Seltzer, M.D. Inc. PSP #1 \$15,000.00 in compensatory damages.
- 10) Respondent Robert Plomgren is liable to and shall pay Claimant James M. Seltzer, M.D. PSP #2 \$54,000.00 in compensatory damages.
- 11) Respondent Robert Plomgren is liable to and shall pay Claimant Emilie Spear \$73,750.00 in compensatory damages.
- 12) Claimants' request for punitive damages is denied.
- 13) Each party shall bear its own costs, including attorney's fees.
- 14) Claimants shall have only one recovery against all respondents. To the extent any of the claimants actually recover monies from any of the respondents other than Robert Plomgren, by way of settlement or otherwise based upon the claims made in this case, Robert Plomgren shall be entitled to a credit in the amount of any such recovery against the above Award. Respondents shall in turn be entitled to all rights of indemnity and contribution against Robert Plomgren which may be available under applicable law.
- 15) All other relief 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	= \$ 500.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the event of the dispute. Accordingly, the member firm Sentra Securities Corporation is a party and the following fees are assessed:

Member Surcharge	= \$ 2,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 4,500.00</u>
Total Member Fees	= \$ 7,600.00

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 Chair/Panel. The following fees are assessed:

(1) Pre-hearing conference session with a single arbitrator @ \$ 450/session	= \$ 450.00
Pre-hearing conference: September 1, 2000	1 session
(2) Pre-hearing conference sessions with the Panel @ \$ 1,200/session	= \$ 2,400.00
Pre-hearing conferences: February 18, 2000	1 session
July 6, 2000	1 session
(1) Hearing session @ \$ 1,200/session	= \$ 1,200.00
Hearing: September 12, 2000	1 session
Total Forum Fees	= \$ 4,050.00

1. The Panel assessed \$ 4,050.00 of the forum fees jointly and severally to Claimants.

Fee Summary

1. Claimants Lisa Walter, Ed Hanks, Hanwill Limited Partnership, Patricia Burbank, David S. Becker, Glen Burger, Henry F. Evans DMD Profit Sharing Plan, James Felt, James Seltzer, Rachel E. Seltzer UTMA/CA, Robert I. Seltzer UTMA, James M. Seltzer, M.D. Inc. PSP #1, James M. Seltzer, M.D. PSP #2, and Emilie Spear are charged jointly and severally with the following fees and costs:


Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 4,050.00
Total Fees	= \$ 4,555.00
<u>Less payments</u>	<u>= \$(1,700.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,850.00

2. Respondent Sentra Securities Corporation is charged with the following fees and costs:

Member Fees	= \$ 7,600.00
<u>Less payments</u>	<u>= \$(7,600.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are payable to NASD Dispute Resolution, Inc. and are due within 30 days of the Award's date of service.

Concurring Arbitrators' Signatures


Thomas E. Shuck, Esq.
Chair, Public Arbitrator

10-26-00
Signature Date

Robert John Wagener
Public Arbitrator

Signature Date

Richard M. Leigh
Non-Public Arbitrator

Signature Date

October 26, 2000
Date of Service

Concurring Arbitrators' Signatures

Thomas E. Shuck, Esq.
Chair, Public Arbitrator

Signature Date



Robert John Wagener
Public Arbitrator

27 October 2000
Signature Date

Richard M. Leigh
Non-Public Arbitrator

Signature Date

Date of Service