

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Talored Badmus

BDS Technologies, Inc.

Case Number: 99-01788

Name of the Respondents

First Liberty Investment Group

Chris Clem

Steven Dapuzzo

Anthony Giordano

Christian L. Eminente a/k/a Luciano Eminente

James O'Connor

Harold Stice

Mike Wallace

Hearing Site: Philadelphia, PA

REPRESENTATION OF PARTIES

Claimants, Talored Badmus and BDS Technologies, Inc., hereinafter collectively referred to as "Claimants", were represented by James R. Marlen, Esq., The Law Office of James R. Marlen, Dallas, Texas.

Respondents, First Liberty Investment Group ("First Liberty"), Chris Clem ("Clem"), Steven Dapuzzo ("Dapuzzo"), Anthony Giordano ("Giordano"), Christian L. Eminente a/k/a Luciano Eminente ("Eminente"), James O'Connor ("O'Connor"), Harold Stice ("Stice"), and Mike Wallace ("Wallace") hereinafter collectively referred to as "Respondents", were originally represented by Nicholas Guiliano, Esq., Attorney at Law, Philadelphia, Pennsylvania.

At the time of this Award, Respondent First Liberty was represented by W. Gresham Cooney, representative of First Liberty Investment Group, Philadelphia, Pennsylvania.

At the time of this Award, Respondent Giordano represented himself.

At the time of this Award, Respondent Wallace represented himself.

CASE INFORMATION

Statement of Claim filed on: April 14, 1999.

Claimant Talored Badmus signed the Uniform Submission Agreement on behalf of Claimants on: March 5, 1999.

Request to Dismiss and Answer filed by Respondents First Liberty, Clem, Dapuzzo, Eminente,

O'Connor, Stice, and Wallace on: July 15, 1999.

Respondent Giordano joined in Respondents' Request to Dismiss and Answer on: April 10, 2000.

A representative of Respondent First Liberty signed the Uniform Submission Agreement on: July 15, 1999.

Respondent Clem signed the Uniform Submission Agreement on: July 15, 1999.

Respondent Dapuzzo signed the Uniform Submission Agreement on: July 15, 1999.

Respondent Eminente signed the Uniform Submission Agreement on: July 15, 1999.

Respondent O'Connor signed the Uniform Submission Agreement on: July 15, 1999.

Respondent Wallace signed the Uniform Submission Agreement on: June 24, 1999.

Respondent Giordano did not file a signed Uniform Submission Agreement.

Respondent Stice did not file a signed Uniform Submission Agreement.

Claimants filed a Motion to Preclude Respondent Giordano from Answering and Presenting Any Matter, Arguments or Defenses at the Hearing on: September 23, 1999.

Claimants filed a response to Respondents' Motion to Dismiss on: May 26, 2000.

Respondents filed a reply to Claimants Response to Respondents' Motion to Dismiss on: May 30, 2000.

Respondents filed a renewed Motion to Dismiss on: August 22, 2000.

Respondents filed a Motion for an Order Regarding the Dismissal of Certain Parties on: August 6, 2001.

CASE SUMMARY

Claimants asserted the following causes of action, among others: fraud; excessive trading; churning; unsuitability; breach of fiduciary duty; misrepresentations and omissions; unauthorized trading; violations of Federal and State Securities laws; negligence; breach of contract; respondeat superior; control person liability; aiding and abetting; failure to supervise; and, unjust enrichment. The causes of action relate to the purchase and sale of unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted; all losses were attributable to Claimants' own actions; Claimants failed to plead and cannot prove agency; Claimants failed to plead loss causation; Claimants' claims are barred by the doctrine of the second investment decision; Claimants failed to state a claim for breach of fiduciary duty; Claimants claims are time barred; and, Claimants claims are barred by the doctrines of wavier and laches.

RELIEF REQUESTED

Claimants in their Statement of Claim requested:

Compensatory Damages
Punitive Damages

\$ 140,000
amount unspecified

Treble Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents in their Statement of Answer requested that the Statement of Claim be dismissed, and that an award be entered against Claimants for all costs, including reasonable attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Giordano and Stice did not file with NASD Dispute Resolution, properly executed submissions 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.

On August 11, 2000, the Panel denied Respondents' Motion to Dismiss.

On October 1, 2001, the Panel Ordered that the claims brought against Respondents O'Connor, Dapuzzo, Eminente, and Clem be dismissed with prejudice.

Hearings in this matter commenced on June 12 - 14, 2001, but were not completed due to a medical emergency.

On June 14, 2001, the parties were requested to submit four (4) mutually agreeable alternative sets of hearing dates to set the conclusion of the hearings.

On July 25, 2001, the Arbitration Panel (the "Panel") issued an Order directing the parties as follows:

The parties shall, no later than 5:00 p.m. on August 27, 2001, submit to NASD Regulation [sic] four (4) mutually agreed upon dates for the continuation of this arbitration. A prior request for mutually agreed upon dates has not been complied with. Accordingly, should these mutually agreed upon dates [not] be submitted by the above date and time, the Panel wil[l] meet to consider sanctions, including a dismissal of this matter.

On October 12, 2001, the Panel issued an Order directing the parties as follows:

The parties shall, no later than 5:00 p.m. on October 31, 2001, submit to NASD Regulation [sic] four (4) mutually agreed upon dates for the continuation of this arbitration. Prior requests for mutually agreed upon dates has not been complied with. Accordingly, should these mutually agreed upon dates not be submitted by the above date and time, the Panel will meet to consider sanctions against any party responsible for this failure to comply with its order.

On November 19, 2001, Claimants requested an extension of time to comply with the Panel's Order, which was granted. The parties were given until December 3, 2001 to comply with the

Order.

On January 10, 2002, Claimants requested an extension of time to comply with the Panel's Order, which was granted. The parties were given until February 1, 2002 to comply with the Order.

On May 23, 2003, the Panel issued an Order directing the parties as follows:

1. The parties shall, no later than 5:00 p.m. on June 20, 2003, submit to NASD Regulation [sic] four (4) mutually agreed upon dates for the continuation of this arbitration. 2. Prior Orders requesting mutually agreed upon dates has not been complied with. Accordingly, should these mutually agreed upon dates not be submitted to NASD Regulation [sic] by the above date and time, the Panel will meet to consider dismissing this action with prejudice under NASD Rule 10305(b)."

AWARD

After considering the pleadings and the case history in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Prior Orders requesting mutually agreed upon dates have not been complied with. Accordingly, the Panel dismisses this action with prejudice under NASD Rule 10305(b);
2. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
3. Any and all relief not specifically addressed herein, including punitive and treble damages, is dismissed with prejudice in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution 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 firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent First Liberty is a party.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$ 2,500.00</u>
Total Member Fees	= \$ 4,600.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

September 25 – 28, 2000, adjournment by Claimants = \$ 1,125.00
February 5 – 9, 2001, adjournment by Claimants and Respondents = \$ 1,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 a single arbitrator @ \$ 450 = \$ 450.00
Pre-hearing conference/s: June 8, 2001 1 session

One (1) Pre-hearing session with Panel @ \$ 1,125 = \$ 1,125.00
Pre-hearing conference/s: March 15, 2000 1 session

Four (4) Hearing sessions @ \$ 1,125 = \$ 4,500.00
Hearing Date/s: June 12, 2001 1 session
June 13, 2001 2 sessions
June 14, 2001 1 session

Total Forum Fees = \$ 6,075.00

1. The Panel has assessed \$ 3,037.50 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$ 3,037.50 of the forum fees jointly and severally to Respondents.

EEE SUMMARY

1. Claimants are jointly and severally assessed and shall pay the following fees:

Initial Filing Fee	= \$ 300.00
Adjournment Fees	= \$ 1,625.00
Forum Fees	= \$ 3,037.50
Total Fees	= \$ 4,962.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 3,537.50

2. Respondent, First Liberty, is assessed and shall pay the following fees:

Member Fees	= \$ 4,600.00
Total Fees	= \$ 4,600.00
Less payments	= \$ 4,600.00
Balance Due NASD Dispute Resolution	= \$ 00.00

3. Respondents are jointly and severally assessed and shall pay the following fees:

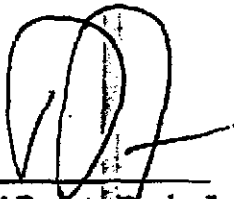
Adjournment Fees	= \$ 500.00
Forum Fees	= \$ 3,037.50
Total Fees	= \$ 3,537.50
Less payments	= \$ 500.00
Balance Due NASD Dispute Resolution	= \$ 3,037.50

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

ARBITRATION PANEL

Rafael A. Porrata-Doria, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
James G. Parker	-	Public Arbitrator, Panelist
Jacob B. Petrosky	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Rafael Porrata-Doria, Jr., Esq.
Public Arbitrator, Presiding Chairperson

8 OCT 2003

Signature Date

James G. Parker
Public Arbitrator, Panelist

Signature Date

Jacob B. Petrosky
Non-Public Arbitrator, Panelist

Signature Date

OCTOBER 14, 2003
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Rafael Porrata-Doria, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

James G. Parker

James G. Parker
Public Arbitrator, Panelist

10/09/03
Signature Date

Jacob B. Petrosky
Non-Public Arbitrator, Panelist

Signature Date

October 14, 2003
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Rafael Porrata-Doria, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

James G. Parker
Public Arbitrator, Panelist

Signature Date

Jacob B. Petrosky
Non-Public Arbitrator, Panelist

Oct. 14, 2003
Signature Date

October 14, 2003
Date of Service (For NASD Dispute Resolution office use only)