

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

William R. Nance and Sharon C. Nance, Claimants v. Frederick Jay Hentschel, III, Marcus Anthony Ramos and Michael Scott Weiner, Respondents

Case Number: 99-02341

Hearing Site: Seattle, WA

REPRESENTATION OF PARTIES

For Claimants:

Katherine Hendricks, Esq.
Hendricks & Lewis
999 Third Street
Suite 2675
Seattle, WA 98104

For Respondent Frederick Jay Hentschel, III:

In Pro Per
Frederick Jay Hentschel, III
Northridge Capital Corporation
3 Huntington Quadrangle
4th Floor
Melville, NY 11747

2 Bay Club Drive
Bayside, NY 11360

20 Village Road
Manhasset, NY 11030

For Marcus Anthony Ramos:

In Pro Per
31 Guilford Road
Port Washington, NY 33409

For Respondent Michael Scott Weiner:

Frank R. Siderius, Esq.
500 Union Street
Suite 847
Seattle, WA 98101

CASE INFORMATION

Statement of Claim filed: May 24, 1999

Claimants' Uniform Submission Agreement signed: June 9, 1999

Statement of Answer filed by Respondent Frederick Jay Hentschel, III: August 8, 2000

Respondent Frederick Jay Hentschel, III's Uniform Submission Agreement signed: August 2000

Statement of Answer filed by Respondent Michael Scott Weiner: October 11, 1999

Respondent Michael Scott Weiner 's Uniform Submission Agreement signed: September 14, 1999

Statement of Answer filed by Respondent Marcus Anthony Ramos: March 13, 2000

CASE SUMMARY

Claimants alleged unsuitable sale of unregistered securities (WIT Holding Corporation); unsuitable investments, unauthorized purchases and churning of investments in Computer Associates, Datamark Holding Co., Entremend, On-Point Technology Systems, Microwave Power Devices, Natural Health Trends, Multimedia Games and Community Care Services; violation of Section 10 and Rule 10b-5 of the Securities Act; violation of Section 5 of the Securities Act of 1933; violation of the applicable Washington Securities Acts; violation of the Washington Consumer Protection Act; fraud and negligent misrepresentation; and breach of fiduciary duty.

Respondent, Frederick Jay Hentschel, III, denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted several affirmative defenses, including that Claimants' alleged losses were caused by market forces; Claimants failed to use due diligence with respect to the transactions; Claimants' proximately caused the alleged losses; Claimants authorized and directed the execution of the transactions; Claimants failed to state a claim for unsuitability; the Statement of Claim failed to state a cause of action; and the Claimants damages are speculative.

Respondent, Michael Scott Weiner, denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted several affirmative defenses, including that the Statement of Claim failed to state a cause of action; Claimants were sophisticated and active traders; Claimants ratified the transactions; Claimants caused their own alleged losses or the losses were caused by market forces; Claimants failed to mitigate their alleged losses; Claimants failed to plead with particularity specific facts underlying the claim for fraud; and Claimants' claims for attorney's fees and punitive damages were prohibited.

Respondent, Marcus Anthony Ramos, denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested rescission of commissions (\$7000); rescission of the purchase of WIT Holding Corporations debentures and the return of Claimants' invested funds (\$50,000); actual damages (\$175,000); interest; attorneys' fees; costs; punitive damages (\$10,000); and such other relief that the Panel deemed just and equitable.

Respondent, Frederick Jay Hentschel, III, requested that the claim be dismissed in its entirety.

Respondent, Michael Scott Weiner, requested that the claim be dismissed in its entirety.

Respondent, Marcus Anthony Ramos, requested that the claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On October 15, 2001, Claimants dismissed, with prejudice, Respondents Kenneth Michael Klein and Paul Gabriel Wasserman. The Claimants named both of the individuals as Respondents in their Amended Statement of Claim filed June 29, 2000.

On October 15, 2001, Claimants dismissed Respondent First Providence Financial Group, Inc. The Claimants named the company as a Respondent in their initial Statement of Claim filed May 24, 1999.

On March 27, 2001, Claimants dismissed, with prejudice, Respondent Kevin C. Held. The Claimants named the individual as a Respondent in their initial Statement of Claim filed May 24, 1999.

The total amounts of Claimants' settlement with Respondents Kenneth Michael Klein, Paul Gabriel Wasserman, Kevin C. Held and First Providence Financial Group, Inc. were disclosed to the Panel. The Panel took into account the settlement amounts when rendering its Award in this matter.

Respondent, Marcus Anthony Ramos, did not attend or otherwise participate in the arbitration hearing. Additionally, Respondent, Marcus Anthony Ramos, did not submit a properly executed submission agreement. Respondent, Marcus Anthony Ramos is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code"), and having answered the claim, is bound by the determination of the Panel on all issues submitted.

Respondent, Frederick Jay Hentschel, III, did not attend or otherwise participate in the arbitration hearing. Respondent, Frederick Jay Hentschel, III, did file a Statement of Answer and submitted a Uniform Submission Agreement. Prior to the arbitration hearing, correspondence and other notices were sent to Respondent Frederick Jay Hentschel, III c/o Northridge Capital Corporation,

3 Huntington Quadrangle, 4th Floor, Melville, NY 11747. The mail was returned as "Undeliverable." Accordingly, the Panel could not determine if Respondent Frederick Jay Hentschel, III had received the appropriate notices after his counsel withdrew representation on or about March 2, 2001.

At the hearing, the Panel made the Claimants aware that Respondent Frederick Jay Hentschel, III may not have received the appropriate notices after his counsel withdrew representation. Claimants chose to proceed with the arbitration hearing.

Respondent, Michaels Scott Weiner, did not attend the arbitration hearing. However, his attorney did attend and participated in the proceedings.

The parties present at the arbitration hearing agreed that the Award in this matter could 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:

I. As to the Respondents Michael Weiner, Marcus Anthony Ramos and Frederick Jay Hentschel, III who were employed by Foster Jeffries Security Corporation at the time of the events that gave rise to the claim (the "Foster Jeffries Respondents"), the Panel finds that:

1. Respondents Michael Weiner, Marcus Anthony Ramos and Frederick Jay Hentschel, III are jointly and severally liable for: (a) damages in the amount of \$35,000 plus simple interest at the rate of 8% from May 15, 1998, and (b) attorneys fees and costs in the amount of \$26,000 in accordance with the Washington State Securities Act, section RCW 21.20.430 (1) and (2) which specifically provide for attorney's fees.

II. As to the Respondents Marcus Anthony Ramos and Frederick Jay Hentschel, III who were also employed by First Providence Financial Group, Inc. at the time of the events that gave rise to the claim (the "First Providence Respondents"), the Panel finds that:

1. Respondents Marcus A. Ramos and Frederick J. Hentschel III are jointly and severally liable for: (a) damages in the amount of \$12,218 plus simple interest at the rate of 8% from September 8, 1998.

IV. All forum fees as assessed against the parties and the parties that settled prior to the arbitration hearing, are set forth below. The forum fees shall be reduced by amounts already deposited with the NASDR by the parties.

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V. The Panel also dismisses the cross-claim filed by Respondent First Providence Financial Group, Inc., and the cross-claim filed by Kenneth Michael Klein and Paul Gabriel Wasserman for lack of prosecution.

IV. Each party shall bear its own costs, except as otherwise provided in the Award.

V. 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	= \$ 300
Respondent First Providence Financial Group, Inc.'s Cross-claim	= \$1000
Respondents Paul Gabriel Wasserman and Kenneth Michael Klein's Cross-claim	= \$1000

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 events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm, First Providence Financial Group, Inc. is liable for the following fees:

Member Surcharge	= \$1500
Pre-Hearing Process Fee	= \$ 600
<u>Hearing Process Fee</u>	<u>= \$2500</u>
Total Member Fees	= \$4600

Adjournment Fees

The following adjournment fees are assessed:

March 19, 2001-March 23, 2001 hearing dates, adjournment requested by First Providence Financial Group, Inc., Kenneth Michael Klein and Paul Gabriel Wasserman	= \$1125
May 21, 2001-May 23, 2001 hearing dates, adjournment requested by First Providence Financial Group, Inc., Kenneth Michael Klein and Paul Gabriel Wasserman	= \$1000
September 24, 2001-September 26, 2001 hearing dates, adjournment requested by First Providence Financial Group, Inc., Kenneth Michael Klein and Paul Gabriel Wasserman	= \$1000
<u>Total Adjournment Fees</u>	<u>= \$3125</u>

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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:

Six (6) Pre-hearing conference sessions with the Panel @ \$1125/session = \$6750

Pre-hearing conferences:	March 16, 2000	1 session
	June 14, 2000	1 session
	August 29, 2000	1 session
	March 15, 2001	1 session
	August 30, 2001	1 session
	September 24, 2001	1 session

Two (2) Hearing sessions @ \$1125/session = \$2250

Hearings:	November 5, 2001	2 sessions
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Total Forum Fees = \$9000

The Panel assessed the forum fees as follows:

March 16, 2000 Pre-hearing conference:

Respondents Frederick Jay Hentschel, III, Michael Scott Weiner, Kevin C. Held and Marcus Anthony Ramos are jointly and severally liable for 15% of the forum fees. = \$ 168.75

Respondent Michael Scott Weiner is individually liable for 10% of the forum fees. = \$ 112.50

Respondents Kenneth Michael Klein, Paul Gabriel Wasserman and First Providence Financial Group, Inc. are jointly and severally liable for 25% of the forum fees. =\$ 281.25

Claimants are jointly and severally liable for 50% of the forum fees. =\$ 562.50

June 14, 2000 Pre-hearing conference:

Respondents Frederick Jay Hentschel, III, Michael Scott Weiner, Kevin C. Held and Marcus Anthony Ramos are jointly and severally liable for 15% of the forum fees. = \$ 168.75

Respondent Michael Scott Weiner is individually liable for 10% of the forum fees. = \$ 112.50

Respondents Kenneth Michael Klein, Paul Gabriel Wasserman and First Providence Financial Group, Inc. are jointly and severally liable for 25% of the forum fees. =\$ 281.25

Claimants are jointly and severally liable for 50% of the forum fees. =\$ 562.50

August 29, 2000 Pre-hearing conference:

Respondents Frederick Jay Hentschel, III, Michael Scott Weiner, Kevin C. Held and Marcus Anthony Ramos are jointly and severally liable for 15% of the forum fees. = \$ 168.75

Respondent Michael Scott Weiner is individually liable for 10% of the forum fees. = \$ 112.50

Respondents Kenneth Michael Klein, Paul Gabriel Wasserman and First Providence Financial Group, Inc. are jointly and severally liable for 25% of the forum fees. =\$ 281.25

Claimants are jointly and severally liable for 50% of the forum fees. =\$ 562.50

March 15, 2001 Pre-hearing conference:

Respondents Kenneth Michael Klein, Paul Gabriel Wasserman and First Providence Financial Group, Inc. are jointly and severally liable for 100% of the forum fees. =\$1125

August 30, 2001 Pre-hearing conference:

Respondents Frederick Jay Hentschel, III, Michael Scott Weiner and Marcus Anthony Ramos are jointly and severally liable for 15% of the forum fees. = \$ 168.75

Respondent Michael Scott Weiner is individually liable for 10% of the forum fees. = \$ 112.50

Respondents Kenneth Michael Klein, Paul Gabriel Wasserman and First Providence Financial Group, Inc. are jointly and severally liable for 25% of the forum fees. =\$ 281.25

Claimants are jointly and severally liable for 50% of the forum fees. =\$ 562.50

September 24, 2001 Pre-hearing conference:

Respondents Kenneth Michael Klein, Paul Gabriel Wasserman and First Providence Financial Group, Inc. are jointly and severally liable for 100% of the forum fees. =\$1125

November 5, 2001 Arbitration Hearing:

Respondents Frederick Jay Hentschel, III, Michael Scott Weiner and Marcus Anthony Ramos are jointly and severally liable for 20% of the forum fees. = \$ 450

Respondent Michael Scott Weiner is individually liable for 10% of the forum fees. = \$ 225

Claimants are jointly and severally liable for 70% of the forum fees. = \$1575

Fee Summary

Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300
<u>Forum Fees</u>	= \$3825
Total Fees	= \$4125
<u>Less Payments</u>	= \$(1425)
Balance Due NASD Dispute Resolution, Inc.	= \$2700

Respondents, Frederick Jay Hentschel, III, Michael Scott Weiner, Kevin C. Held and Marcus Anthony Ramos, are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 506.25
<u>Less Payments</u>	= \$ (0)
Balance Due NASD Dispute Resolution, Inc.	= \$ 506.25

Respondents, Frederick Jay Hentschel, III, Michael Scott Weiner and Marcus Anthony Ramos, are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 618.75
<u>Less Payments</u>	= \$ (0)
Balance Due NASD Dispute Resolution, Inc.	= \$ 618.75

Respondent, Respondent Michael Scott Weiner, is charged individually with the following fees and costs:

<u>Forum Fees</u>	= \$ 675
Total Fees	= \$ 675
<u>Less Payments</u>	= \$ (0)
Balance Due NASD Dispute Resolution, Inc.	= \$ 675

Respondents Kenneth Michael Klein, Paul Gabriel Wasserman and First Providence Financial Group, Inc. are jointly and severally liable for the following costs:

Forum Fees	= \$3375
Adjournment Fees	= \$3125
<u>Less Payments</u>	= \$ (1125)
Balance Due NASD Dispute Resolution, Inc.	= \$5375

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Respondents Kenneth Michael Klein and Paul Gabriel Wasserman are jointly and severally liable for the following costs:

Filing Fees for the Cross-claim	= \$300
Less Payments	= \$ (0)
Balance Due NASD Dispute Resolution, Inc.	= \$ 300

Respondent First Providence Financial Group, Inc. is individually liable for the following costs:

Filing Fees for the Cross-claim	= \$1000
Member Fees	= \$4600
Less Payments	= \$ (2100)
Balance Due NASD Dispute Resolution, Inc.	= \$3500

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

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ARBITRATION PANEL

Peter L. Sill	-	Public Arbitrator, Presiding Chair
G.E. Craig Doupe, Esq.	-	Public Arbitrator
William J. Rex	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Peter L. Sill

Peter L. Sill
Chair, Public Arbitrator

12/14/01

Signature of _____

G.E. Craig Doupe, Esq.
Public Arbitrator

Signature of _____

William J. Rex
Industry/Non-Public Arbitrator

Signature of _____

Date Served:

DEC 13 2001

Date of Service

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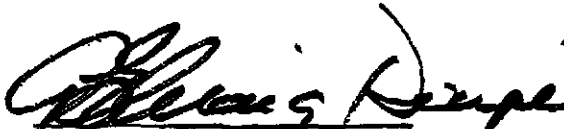
ARBITRATION PANEL

Peter L. Sill	-	Public Arbitrator, President & Chair
G.E. Craig Doupe, Esq.	-	Public Arbitrator
William J. Rex	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Peter L. Sill
Chair, Public Arbitrator

Signature Line



G.E. Craig Doupe, Esq.
Public Arbitrator

12/12/01

Signature Line

William J. Rex
Industry/Non-Public Arbitrator

Signature Line

Date Served:

DEC 13 2001

Date of Service