

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Thomas L. Hodges, Claimant v. Lloyd Wade Securities, Inc., Manny Bello, Frank Cardone,
Richard Williams and Richard LaGreca

Case Number: 99-04331

Hearing Site: Charlotte, North Carolina

REPRESENTATION OF PARTIES

For Thomas L. Hodges, hereinafter referred to as "Claimant": Dan A. Druz, Esq., Manasquan,
New Jersey.

For Lloyd Wade Securities, Inc. ("Lloyd Wade"): David E. Graven, Esq., Aurora, Colorado. On
or about January 18, 2002, David E. Graven, Esq. withdrew as counsel. Thereafter, David
Rutkoske, owner of Respondent Lloyd Wade, appeared for Respondent Lloyd Wade.

For Manny Bello ("Bello"), Frank Cardone ("Cardone"), Richard Williams ("Williams") and
Richard LaGreca ("LaGreca"): Robert Ouriel, Esq., Law Offices of Robert Ouriel, New York,
New York. On or about May 8, 2002, Robert Ouriel withdrew as counsel and thereafter
Respondents Bello, Cardone, Williams and LaGreca appeared pro se.

CASE INFORMATION

Statement of Claim filed: September 20, 1999.

Claimant's Uniform Submission Agreement signed: September 7, 1999.

Statement of Answer filed by Respondent Lloyd Wade: June 6, 2002.

Statement of Answer and Motion to Dismiss filed by Respondents Bello, Cardone, Williams and
LaGreca: November 30, 1999.

Respondent Lloyd Wade's Uniform Submission Agreement signed: August 14, 2001.

Respondent Bello's Uniform Submission Agreement signed: November 24, 1999.

Respondent Cardone's Uniform Submission Agreement signed: November 24, 1999.

Respondent Williams' Uniform Submission Agreement signed: November 24, 1999.

Respondent LaGreca did not file an executed Uniform Submission Agreement.

Claimant's Response to Motion to Dismiss and Cross Motion for Leave to Amend with proposed First Amended Statement of Claim: August 24, 2000.

Respondents Bello, Cardone, Williams and LaGreca's Reply to Claimant's Response to Motion to Dismiss and Cross Motion for Leave to Amend: September 29, 2000.

Claimant's Reply to Respondents Bello, Cardone, Williams and LaGreca's Reply to Claimant's Response to Motion to Dismiss and Cross Motion for Leave to Amend: October 3, 2000.

CASE SUMMARY

Claimant alleged the following causes of action: 1) fraud; 2) unsuitability; 3) violation of the anti-fraud provisions of the North Carolina Securities Act; 4) failure to supervise; 5) breach of fiduciary duty; and 6) violation of the federal securities laws, namely Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The causes of action relate to investments in highly speculative securities, namely Netbet and Tollycraft Yachts Corp.

Respondents Lloyd Wade, Bello, Cardone, Williams and LaGreca denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$100,000.00; 2) punitive damages; 3) interest; 4) costs; and 5) attorneys' fees.

Respondent Lloyd Wade requested: 1) dismissal of the Statement of Claim; 2) costs; and 3) attorneys' fees.

Respondents Bello, Cardone, Williams and LaGreca requested: 1) dismissal of the Claimant's Statement of Claim for lack of specificity, or in the alternative, order Claimant to file an Amended Statement of Claim; 2) apportionment of any award against the respondents, amongst the respondents; 3) Claimant reimburse Respondents for attorneys' fees and costs incurred in responding to the Statement of Claim; 4) that costs not be assessed to Respondents; and 5) that the hearing venue be changed to New York City.

OTHER ISSUES CONSIDERED AND DECIDED

On May 14, 2002, the undersigned arbitrators (the "Panel") granted Respondents Bello, Cardone, Williams and LaGreca's motions to appear by telephone at the evidentiary hearing. Respondents Bello, Cardone, Williams and LaGreca appeared by telephone at the evidentiary hearing.

On or about October 6, 2000, the Panel granted Claimant's Cross Motion for Leave to Amend and deemed Claimant's proposed Amended Statement of Claim as filed.

On or about February 23, 2002, Respondent Lloyd Wade filed its Motion to Dismiss and Motion for Sanctions and Attorneys' Fees. On or about March 11, 2002, Claimant filed its written response to the motion. On or about March 11, 2002, Respondent Lloyd Wade filed its written reply to Claimant's response. On or about March 18, 2002, the Panel denied the motions.

Respondent LaGreca did not file with the NASD Dispute Resolution, Inc. a properly executed submission agreement but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

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 (if any), the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims against Respondent Cardone are denied in their entirety.
- 2) Respondents Lloyd Wade, Bello, Williams and LaGreca are jointly and severally liable and shall pay to Claimant compensatory damages in the amount of \$80,000.00, plus interest at the rate of 5% per annum from January 1, 1999 until the date the Award is paid in full.
- 3) Claimant's requests for punitive damages and attorneys' fees are denied.
- 4) 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	= \$300.00
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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 events which gave rise to the dispute, claim, or controversy. Respondent Lloyd Wade, a party, was a member firm at the time the following fees were assessed:

Member Surcharge	= \$1,500.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$2,500.00
Total Member Fees	= \$4,600.00

Adjournment Fees

The following adjournment fees are assessed:

On or about February 2, 2001, Respondents Bello, Cardone, Williams and LaGreca filed their Motion to Adjourn the evidentiary hearing scheduled for February 26-28, 2001. On or about February 8, 2001, the Panel granted the motion and adjourned the evidentiary hearing. The Panel assessed the total adjournment fee of \$1,125.00 as follows: \$562.50 to Claimant, and \$562.60 jointly and severally to Respondents Lloyd Wade, Bello, Cardone, Williams and LaGreca.

On or about September 20, 2001, Respondent Lloyd Wade filed its request to adjourn the evidentiary hearing scheduled for October 10-12, 2001. On or about October 9, 2001, NASD Dispute Resolution administratively adjourned the evidentiary hearing due to the extraordinary circumstances of September 11, 2001. No adjournment fee was assessed.

On or about April 15, 2002, Respondent Lloyd Wade files its Motion to Postpone the Hearing wherein Respondent Lloyd Wade requested an adjournment of the evidentiary hearing scheduled for May 14-16, 2002. On or about April 29, 2002, Claimant filed his written response and objection to the motion. On or about May 6, 2002, the Panel denied Respondent Lloyd Wade's motion to postpone.

On or about May 7, 2002, Respondent Lloyd Wade filed its Motion to Reconsider Motion to Postpone, Claimant filed its written response in opposition, and Respondent Lloyd Wade filed its reply to Claimant's response. On or about May 13, 2002, the Panel affirmed its decision to deny Respondent Lloyd Wade's request to adjourn the evidentiary hearing scheduled for May 14-16, 2002.

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 the Panel @ \$1,125.00/session	= \$1,125.00
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Pre-hearing conference:	August 9, 2000	1 session	
(3) Hearing sessions @ \$1,125.00/session			= \$3,375.00
Hearings:	May 14, 2002	2 sessions	
	May 15, 2002	1 session	
Total Forum Fees			= \$4,500.00

The Panel assessed the total forum fees of \$4,500.00 jointly and severally to Respondents Lloyd Wade, Bello, Williams and LaGreca.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

On or about February 8, 2001, the Panel granted Respondents Bellow, Cardone, Williams and LaGreca's motion to adjourn the evidentiary hearing. The Panel assessed a hotel cancellation fee of \$600.00 for the evidentiary hearing room and an airline cancellation fee of \$75.00 for an arbitrator airline ticket, in the total amount of \$675.00, as follows: \$337.50 to Claimant, and \$337.50 jointly and severally to Respondents Lloyd Wade, Bello, Cardone, Williams and LaGreca.

Respondents Bello, Williams and LaGreca appeared at the evidentiary hearing by telephone. The total cost for the conference call is \$63.05. The Panel has assessed \$21.01 of the cost for the conference call to Respondent Bello, \$21.02 of the cost for the conference call to Respondent Williams, and \$21.02 of the cost for the conference call to Respondent LaGreca.

Fee Summary

Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 562.60
<u>Administrative Costs</u>	<u>= \$ 337.50</u>
Total Fees	= \$1,200.00
<u>Less payments</u>	<u>= \$1,200.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent Lloyd Wade is charged with the following fees and costs:

<u>Member Fees</u>	<u>= \$4,600.00</u>
Total Fees	= \$4,600.00

<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$4,600.00

Respondent Bello is charged with the following fees and costs:

<u>Administrative Costs</u>	= \$ 21.01
Total Fees	= \$ 21.01
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 21.01

Respondent Williams is charged with the following fees and costs:

<u>Administrative Costs</u>	= \$ 21.02
Total Fees	= \$ 21.02
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 21.02

Respondent LaGreca is charged with the following fees and costs:

<u>Administrative Costs</u>	= \$ 21.02
Total Fees	= \$ 21.02
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 21.02

Respondents Lloyd Wade, Bello, Williams and LaGreca are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	= \$4,500.00
Total Fees	= \$4,500.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$4,500.00

Respondents Lloyd Wade, Bello, Cardone, Williams and LaGreca are charged jointly and severally with the following fees and costs:

<u>Administrative Costs</u>	= \$ 337.50
<u>Adjournment Fees</u>	= \$ 562.50
Total Fees	= \$ 900.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 900.00

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

ARBITRATION PANEL

Mary C. Thornberry	-	Public Arbitrator, Presiding Chair
Robert S. Bernard, Esq.	-	Public Arbitrator
William A. Collison, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

Mary C. Thornberry
Chair, Public Arbitrator

Signature Date

/s/

Robert S. Bernard, Esq.
Public Arbitrator

Signature Date

/s/

William A. Collison, Jr.
Industry/Non-Public Arbitrator

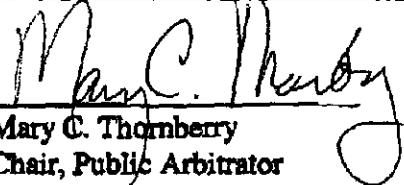
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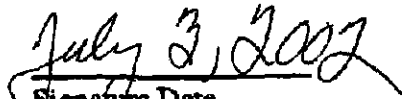
July 9, 2002
Date of Service

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Robert S. Bernard, Esq.	•	Public Arbitrator
William A. Collison, Jr.	•	Non-Public Arbitrator

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Mary C. Thornberry
Chair, Public Arbitrator


Signature Date

Robert S. Bernard, Esq.
Public Arbitrator

Signature Date

William A. Collison, Jr.
Industry/Non-Public Arbitrator

Signature Date

Date of Service

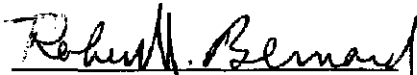
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Robert S. Bernard, Esq.	-	Public Arbitrator
William A. Collison, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Mary C. Thornberry
Chair, Public Arbitrator

Signature Date


Robert S. Bernard, Esq.
Public Arbitrator

7/3/02
Signature Date

William A. Collison, Jr.
Industry/Non-Public Arbitrator

Signature Date

Date of Service

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Robert S. Bernard, Esq.	-	Public Arbitrator
William A. Collison, Jr.	-	Non-Public Arbitrator

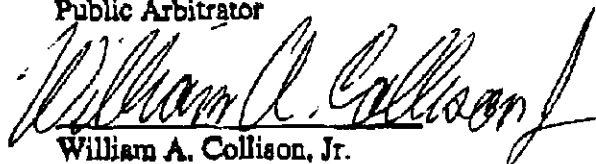
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Chair, Public Arbitrator

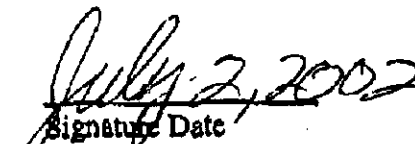
Signature Date

Robert S. Bernard, Esq.
Public Arbitrator

Signature Date



William A. Collison, Jr.
Industry/Non-Public Arbitrator



Signature Date

Date of Service