

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Michael R. Levitsky
RS Environmental Services, Inc.

Case No. 99-04971

Hearing Site: Boca Raton, Florida

Names of Respondents

Renaissance Financial Securities Corp.
Adam J. Cohen
Richard Mika
Perry Raphan

REPRESENTATION OF PARTIES

For Michael R. Levitsky ("Levitsky") and RS Environmental Services, Inc. ("RS") hereinafter collectively referred to as "Claimants": J. Pat Sadler, Sadler & Hovdesven, P.C., Atlanta, Georgia.

Respondent Renaissance Financial Securities Corp. ("Renaissance") did not appear.

For Respondent Adam J. Cohen ("Cohen"): Michael B. Carlinsky, Orrick, Herrington & Sutcliffe LLP, New York, New York until his withdrawal of counsel on or about March 30, 2000. Thereafter, Respondent Cohen was represented by Elizabeth Lowery, Fields, Fehn & Sherwin, Los Angeles, California until her withdrawal of counsel on or about May 31, 2001. However, Elizabeth Lowery re-entered her appearance on behalf of Respondent Cohen at the evidentiary hearing.

Respondent Richard Mika ("Mika") appeared pro se.

For Respondent Perry Raphan ("Raphan"): Marc J. Ross, Sichenzia, Ross and Friedman LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: November 4, 1999.

Amended Statement of Claim filed on or about: July 21, 2000.

Claimants signed the Uniform Submission Agreement: October 20, 1999.

Statement of Answer filed by Respondent Raphan on or about: January 27, 2000.

Statement of Answer filed by Respondent Mika on or about: February 4, 2000.

Statement of Answer filed by Respondent Cohen on or about: February 23, 2000.

Respondent Cohen signed the Uniform Submission Agreement: February 22, 2000.

Respondents Renaissance, Mika and Raphan did not file executed Uniform Submission Agreements.

Respondent Renaissance did not file a Statement of Answer.

CASE SUMMARY

Claimants asserted the following: 1) Respondent Cohen was a control person of Respondent Renaissance, and supervisor of Respondents Raphan and Mika; 2) Respondents Cohen, Raphan and Mika made false representations to Claimants to induce Claimants to purchase certain securities; 3) Respondents Cohen, Raphan and Mika breached their fiduciary duty to Claimants. The causes of action relate to the purchase of shares of stock in Intellect Communications Systems, Ltd. ("ICOM") for Claimants accounts.

Unless specifically admitted in his Answer, Respondent Raphan denied the allegations made in the Statement of Claim and asserted the following defenses: 1) the Statement of Claim fails to set forth a cause of action against Respondent Raphan; 2) Claimants authorized and directed each and every trade in their accounts; 3) Claimants were advised of and assumed the risk of market fluctuation and are therefore estopped from recovery; 4) Claimants are estopped by their own conduct from asserting the claims set forth in their Statement of Claim; 5) Claimants ratified each and every transaction made in their accounts; 6) Claimants waived any claim against Respondent Raphan; 7) Respondent Raphan did not violate any applicable law or rule; 8) Claimants are not entitled to recover punitive damages or attorney's fees; 9) any losses were the result of unforeseen market fluctuations and were within the risks assumed; and 10) the securities and portfolio diversification were suitable.

Unless specifically admitted in his Answer, Respondent Mika denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Respondent Mika acted appropriately in handling Claimants' accounts; and 2) Respondent Mika did not make any intentional misrepresentations to Claimants.

Unless specifically admitted in his Answer, Respondent Cohen denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Claimants' claims are barred by the applicable statute of limitations; 2) the Statement of Claim fails to state a claim upon which relief can be granted; 3) the Statement of Claim lacks specificity; 4) any damages were caused by Claimants' own culpable or negligent conduct, the culpable and negligent conduct of others and/or Claimants' failure to mitigate their damages; 5) Respondent Cohen did not have any supervisory responsibilities for Claimants' accounts; 6) any supervisory responsibilities of Respondent Cohen were complied with and Respondent Cohen acted in good faith with respect to Claimants; and 7) Claimants' claims are barred by the doctrines of waiver, estoppel and/or laches.

RELIEF REQUESTED

Claimants requested compensatory damages of \$66,762.69 for Claimant Levitsky and \$41,810.63 for Claimant RS, plus interest and attorney's fees.

Respondent Raphan requested that all claims against him be dismissed, that he be awarded his costs, including attorney's fees, and such other and further relief as is deemed just and proper.

Respondent Raphan requested that all claims against him be dismissed and such other and further relief as is deemed just and proper.

Respondent Cohen requested that all claims against him be dismissed, that he be awarded his costs, including attorney's fees, and such other and further relief as is deemed just and proper. Further, Respondent Cohen requested that all references to this matter be expunged from his Central Registration Depository ("CRD") record.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Renaissance, Mika and Raphan did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, are bound by the determination of the undersigned arbitrators (the "Panel") on all issues submitted.

Respondent Renaissance did not appear in this matter. Upon review of the file and the representations made on behalf of the Claimants, the Panel determined that Respondent Renaissance 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 Code.

On or about February 21, 2001, Claimants informed NASD Dispute Resolution, Inc. that they had entered into a settlement agreement with Respondents Raphan and Mika.

At the conclusion of Claimants' presentation during the evidentiary hearing, Respondent Cohen asserted a motion to dismiss the Statement of Claim for failure to prove a prima facie case. The Panel granted Respondent Cohen's motion to dismiss.

The parties present at the 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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimants' claims are denied in their entirety.

Respondent Raphan's request for attorney's fees is denied.

The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Cohen's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Cohen must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Any and all other requests for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$300.00
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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, Respondent Renaissance was no longer a member firm of the NASD at the time of service of the Statement of Claim.

Adjournment Fees

Adjournments requested during these proceedings:

December 13 through December 15, 2000, adjournment requested by Respondents Cohen and Raphan. The adjournment fee of \$1,125.00 was waived by the Panel.

February 22 through February 23, 2001, adjournment requested by Respondent Cohen, adjournment fee of \$1,125.00 assessed against Respondent Cohen.

Forum Fees and Assessments

The panel has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: July 10, 2001	1 session

Four (4) Pre-hearing sessions with Panel x \$1,125.00	= \$4,500.00
Pre-hearing conference: May 17, 2000	1 session
October 23, 2000	1 session

	December 7, 2000	1 session
	March 23, 2001	1 session
Three (3) Hearing sessions x \$1,125.00		= 3,375.00
Hearing Dates:	July 16, 2001	2 sessions
	July 17, 2001	1 session
<hr/> Total Forum Fees		= \$8,325.00

The panel has assessed \$4,162.50 of the forum fees jointly and severally to Claimants Levitsky and RS.

The panel has assessed \$4,162.50 of the forum fees to Respondent Cohen.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimants Levitsky and RS be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$4,162.50

Total Fees	= \$4,462.50
Less payments	= \$1,425.00

Balance Due NASD Dispute Resolution, Inc.	= \$3,037.50
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Respondent Cohen be and hereby is solely liable for:

Adjournment Fee	= \$1,125.00
Forum Fees	= \$4,162.50

Total Fees	= \$5,287.50
Less payments	= \$ 0.00

Balance Due NASD Dispute Resolution, Inc.	= \$5,287.50
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All balances are due to NASD Dispute Resolution, Inc. immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

<i>Mark A. Buckstein, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Debra A. Byrne-Mathews</i>	-	<i>Public Arbitrator</i>
<i>Dana de Windt</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Mark A. Buckstein, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/
Debra A. Byrne-Mathews
Public Arbitrator

Signature Date

/s/
Dana de Windt
Non-Public Arbitrator

Signature _____ **Date** _____

August 24, 2001

Date of Service (For NASD-Dispute Resolution office use only)

ARBITRATION PANEL

<i>Mark A. Buckstein, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Debra A. Byrne-Mathews</i>	-	<i>Public Arbitrator</i>
<i>Dana de Windt</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures



Mark A. Buckstein, Esq.
Public Arbitrator, Presiding Chair

8/24/01

Signature Date

Debra A. Byrne-Mathews
Public Arbitrator

Signature Date

Dana de Windt
Non-Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

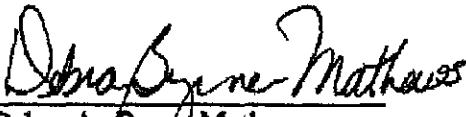
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<i>Dana de Windt</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Mark A. Buckstein, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Debra A. Byrne-Mathews
Public Arbitrator

8-22-01

Signature Date

Dana de Windt
Non-Public Arbitrator

Signature Date

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ARBITRATION PANEL

Mark A. Buckstein, Esq.	-	Public Arbitrator, Presiding Chair
Debra A. Byrne-Mathews	-	Public Arbitrator
Lana de Windt	-	Non-Public Arbitrator


Concurring Arbitrators' Signatures

Mark A. Buckstein, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Debra A. Byrne-Mathews
Public Arbitrator

Signature Date


Lana de Windt
Non-Public Arbitrator


Signature Date

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