

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Glenn Nortman, (Claimant) vs. Worthington Capital Group, Inc., Morgan Grant Capital Corp.,
Howard Zelin, and Russell Ehrens, (Respondents)

Case Number: 99-05072

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Glenn Nortman, hereinafter referred to as "Claimant": Louis J. Schwartzberg, Esq.,
Moses & Singer LLP, New York, NY. Previously represented by: Henry J. Bergman, Esq.,
Bachner Tally & Polevoy LLP, New York, NY.

Respondents, Worthington Capital Group, Inc. ("Worthington") and Morgan Grant Capital Corp.
("Morgan"), did not make appearances in this matter.

Respondent, Howard Zelin ("Zelin"): Randy Scott Zelin, Esq., Randy Scott Zelin, P.C.,
Westbury, NY.

Respondent, Russell Ehrens ("Ehrens"): Robert Bertsch, Esq., Bertsch & Associates, Port
Washington, NY.

CASE INFORMATION

Statement of Claim filed on or about: November 9, 1999.

Claimant signed the Uniform Submission Agreement: November 3, 1999.

Worthington did not file a Statement of Answer or sign a Uniform Submission Agreement.

Morgan did not file a Statement of Answer or sign a Uniform Submission Agreement.

Statement of Answer filed by Zelin on or about: October 13, 2000.

Zelin did not sign a Uniform Submission Agreement.

Statement of Answer filed by Ehrens on or about: April 10, 2001.

Ehrens did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: failure to repay loan agreement; breach of contract; detrimental reliance; and misrepresentations.

Unless specifically admitted in his Answer, Zelin denied the allegations made in the Statement of Claim and asserted the following defenses: Zelin has been misjoined as a Respondent as he was not a party to, nor a guarantor of any of the agreements alleged in the Statement of Claim, nor was Zelin an officer, shareholder, or director of any of the corporate entities named in the Statement of Claim; the Statement of Claim fails to state a claim against Zelin for which relief may be granted; documentary evidence exists which controls the parties' agreement and which requires dismissal of the Statement of Claim; parol evidence bars the Statement of Claim; the Statute of Frauds bars all causes of action; the parties' Subordinated Loan Agreement contains a merger provision which bars any agreements made outside of the Subordinated Loan Agreement and, therefore, Claimant's Second Cause of Action must be dismissed against Zelin; and Claimant is not entitled to attorneys' fees by statute or by agreement.

Unless specifically admitted in his Answer, Ehrens denied the allegations made in the Statement of Claim and asserted the following defenses: Ehrens is not a proper party to this claim and Claimant has failed to assert a cognizable legal claim against Ehrens.

RELIEF REQUESTED

On his First Cause of Action, Claimant requested compensatory damages in the amount of \$168,522.73, plus 10% interest from September 30, 1999, attorneys' fees, costs, and such other and further relief as the Panel deems just and proper. On his Second Cause of Action, Claimant requested compensatory damages in the amount of \$200,000.00.

Zelin requested dismissal of the Statement of Claim, with prejudice; that all forum fees and deposits be charged against Claimant; that he be awarded his attorneys' fees; and that he have such other and further relief as may be deemed just and proper.

Ehrens requested that the allegations against him in the Statement of Claim be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant did not appear at the hearing scheduled for August 21, 2001, although the Panel determined that Claimant received due notice of said hearing. Respondents Zelin and Ehrens made a joint motion to dismiss this claim, without prejudice, based on Claimant's failure to appear. After due consideration, the Panel granted the motion to dismiss.

Upon review of the file, the undersigned arbitrators (the "Panel") determined that Worthington and Morgan have been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without Worthington and Morgan present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Worthington, Morgan, Zelin, and Ehrens did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

The parties 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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are hereby dismissed in their entirety, without prejudice.
2. All other requests for relief are hereby 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, Morgan Grant Capital Corp. is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00

Forum Fees and Assessments

The Panel assesses 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 Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: February 16, 2001	1 session
Two (2) Hearing sessions x \$1,125.00	= \$2,250.00
Hearing Dates: July 10, 2001	1 session
August 21, 2001	1 session
Total Forum Fees	= \$3,375.00

1. The Panel has assessed \$2,250.00 of the forum fees against Claimant.
2. The Panel has assessed \$562.50 of the forum fees against Zelin.
3. The Panel has assessed \$562.50 of the forum fees against Ehrens.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$2,250.00
Total Fees	= \$2,550.00
<u>Less payments</u>	= \$1,425.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,125.00

2. Morgan be and hereby is solely liable for:

<u>Member Fees</u>	= \$2,100.00
Total Fees	= \$2,100.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,100.00

3. Zelin be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 562.50
<u>Total Fees</u>	= \$ 562.50
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 562.50

4. Ehrens be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 562.50
<u>Total Fees</u>	= \$ 562.50
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 562.50

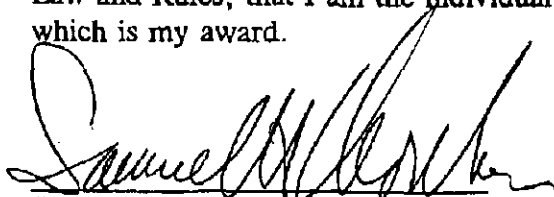
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Samuel H. Chorchés, Esq.	-	Public Arbitrator, Presiding Chair
Ellen W. Buzbee, Esq.	-	Public Arbitrator
Paul Giappone, Esq.	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Samuel H. Chorchés, Esq.
Public Arbitrator, Presiding Chair

9/19/01
Signature Date

Ellen W. Buzbee, Esq.
Public Arbitrator

Signature Date

Paul Giappone, Esq.
Industry Arbitrator

Signature Date

October 2, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

Samuel H. Chorchos, Esq.	-	Public Arbitrator, Presiding Chair
Ellen W. Buzbee, Esq.	-	Public Arbitrator
Paul Giappone, Esq.	-	Industry Arbitrator

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Samuel H. Chorchos, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Ellen W. Buzbee
Ellen W. Buzbee, Esq.
Public Arbitrator

2 October 2001
Signature Date

Paul Giappone, Esq.
Industry Arbitrator

Signature Date

October 2, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

Samuel H. Chorchos, Esq.	-	Public Arbitrator, Presiding Chair
Ellen W. Buzbee, Esq.	-	Public Arbitrator
Paul Giappone, Esq.	-	Industry Arbitrator

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Samuel H. Chorchos, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Ellen W. Buzbee, Esq.
Public Arbitrator

Signature Date

Paul Giappone, Esq.
Industry Arbitrator

Signature Date

October 2, 2001
Date of Service (For NASD office use only)