

**Stipulated Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
Marilyn Downes

Case Number: 01-02715

Name of the Respondents  
PMG Capital Corporation  
Daniel M. McGlinchey  
Michelle M. Logue

Hearing Site: Philadelphia, PA

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**REPRESENTATION OF PARTIES**

Claimant Marilyn Downes, hereinafter referred to as "Claimant", was represented by Robert N. Dellavella, Esq., Attorney at Law, Philadelphia, Pennsylvania.

Respondents PMG Capital Corporation ("PMG") and Michelle M. Logue ("Logue") were represented by David C. Franceski, Jr., Esq. and Margaret Manolakis, Esq., Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania.

Respondent Daniel M. McGlinchey ("McGlinchey") was represented by Paula D. Schaffner, Saul Ewing, LLP, Philadelphia, Pennsylvania.

**CASE INFORMATION**

Statement of Claim filed May 17, 2001.

Claimant signed the Uniform Submission Agreement on October 20, 2000.

Statement of Answer filed by Respondents PMG, McGlinchey and Logue on August 27, 2001.  
A representative of Respondent PMG signed the Uniform Submission Agreement on July 17, 2001.

Respondent Logue signed the Uniform Submission Agreement on July 16, 2001.

Respondent McGlinchey signed the Uniform Submission Agreement on July 17, 2001.

Respondent Logue filed a Motion to Dismiss on August 27, 2001.

**CASE SUMMARY**

Claimants asserted the following causes of action: unsuitability; churning; fraud; failure to supervise; negligence; breach of fiduciary duty; breach of contract; fraudulent inducement; violation of the Securities Act of 1933; violation of Section 10(b) of the Securities Exchange Act of 1934; violation of the Pennsylvania Securities Act; violation of the Pennsylvania Consumer Protection Act; and, violation of the Uniform Trade Practices and Consumer Protection Law. The causes of action relate to the purchase and sale of the stock of Ampex and other securities.

Unless specifically admitted in their Answer, Respondents PMG, McGlinchey and Logue denied the allegations made in the Statement of Claim and asserted the following defenses: estoppel; laches; ratification; authorization; failure to mitigate damages; and, statute of limitations.

#### **RELIEF REQUESTED**

Claimants requested the following damages:

Compensatory Damages	\$ 200,000.00
Lost Opportunity Damages	\$ 500,000.00
Treble Damages	\$ 2,100,000.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents PMG, McGlinchey and Logue requested that Claimant's claims be denied in all respects, that they be compensated for costs, including attorney's fees, incurred in defending against Claimant's action, and that all records of this matter be expunged from Respondent Logue's registration records maintained by the NASD Central Registration Depository ("CRD").

#### **OTHER ISSUES CONSIDERED AND DECIDED**

Prior to the hearing, the Parties fully and finally settled all claims by and between them. Therefore, the Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

#### **AWARD**

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The listed Parties have amenablely resolved their differences and have requested this Stipulated Award;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Michelle M. Logue's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Michelle M. Logue must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. The parties shall bear their respective costs, including attorney's fees, except as Fees are

specifically addressed below; and,

4. Any and all relief not specifically addressed herein, including treble damages, is denied 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 = \$ 500.00

##### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, PMG Capital Corporation is a party.

Member surcharge = \$ 2,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$ 4,500.00

##### **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 Panel @ \$ 1,200.00 = \$ 1,200.00

Pre-hearing conference(s): Date 1 session

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Total Forum Fees = \$ 1,200.00

1. The Panel has assessed \$ 600.00 of the forum fees to Claimant.
2. The Panel has assessed \$ 600.00 of the forum fees jointly and severally to Respondents PMG, McGlinchey and Logue.

#### **Fee Summary**

1. Claimant is assessed:

Initial Filing Fee = \$ 500.00

Forum Fees = \$ 600.00

Retained Hearing Session Deposit: = \$ 600.00

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Total Fees = \$ 1,700.00

Less payments = \$ 1,700.00

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Balance Due NASD Dispute Resolution , = \$ 0.00

2. Respondent PMG is assessed:

Member Fees = \$ 7,600.00

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Total Fees = \$ 7,600.00

Less payments = \$ 8,200.00

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Refund Due Respondent PMG = \$ 600.00

3. Respondents PMG, McGlinchey and Logue are jointly and severally assessed:

Forum Fees = \$ 600.00

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Total Fees = \$ 600.00

Less payments = \$ 600.00

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Balance Due NASD Dispute Resolution = \$ 0.00

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

**ARBITRATION PANEL**

James A. Jennings, Esq.

- Public Arbitrator, Chairperson


Diane Ciccone, Esq.

- Public Arbitrator, Panelist

Robert W. Ratti, CFP

- Non-Public Arbitrator, Panelist

**Concurring Arbitrators' Signatures**

  
James A. Jennings, Esq.  
Public Arbitrator, Chairperson

May 20, 2003  
Signature Date

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Diane Ciccone, Esq.  
Public Arbitrator, Panelist

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Signature Date

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Robert W. Ratti, CFP  
Non-Public Arbitrator, Panelist

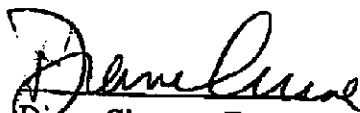
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Signature Date

June 2, 2003  
Date of Service (For NASD Dispute Resolution office use only)

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James A. Jennings, Esq.  
Public Arbitrator, Chairperson

\_\_\_\_\_  
Signature Date

  
Diane Ciccone, Esq.  
Public Arbitrator, Panelist

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Robert W. Ratti, CFP  
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Diane Ciccone, Esq.  
Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date



Robert W. Ratti, CFP  
Non-Public Arbitrator, Panelist

5/19/2003  
Signature Date

June 2, 2003  
Date of Service (For NASD Dispute Resolution office use only)