

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

IN THE MATTER OF THE ARBITRATION BETWEEN :
Joseph Woody :
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 : Case No. 89-01344
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 Claimant :
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 : AWARD
 vs. :
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 Michael Leeds :
 Greentree Securities, Inc. :
 Richard Greenstein :
 Thomas Francis :
 :
 Respondents :

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on May 8, 1989, Claimant Joseph Woody alleged the Respondents misrepresented to him the initial value of his investment in a penny stock and misrepresented to him the value his investment might attain. Claimant further alleged the Respondents were able to profit at his expense by making various misrepresentations and omissions to him. Respondents Greentree Securities, Inc. and Michael Leeds maintained the Claimant's allegations that he paid over market price are unfounded and the Claimant actually purchased his shares at a price below the NASDAQ quoted asked quote. Respondents Greentree Securities, Inc. and Michael Leeds further maintained they cannot be the guarantor of investments. Respondents Greentree Securities, Inc. and Michael Leeds asserted a cross-claim against Respondents Richard Greenstein and Thomas Francis alleging that should the allegations be found to be true, Thomas Francis and Richard Greenstein are the sole and proximate cause of any damages accruing to the Claimant. Respondent Richard Greenstein maintained the Claimant knew the penny stock was a speculative investment and the Claimant understood the risks involved in this investment. Respondent Thomas Francis maintained he explained to the Claimant thoroughly the risks inherent in speculative stocks and at no time promised or guaranteed the price of the stock would rise.

RELIEF REQUESTED


Claimant Joseph Woody requested damages of \$19,965.00 plus interest. Respondents Greentree Securities, Inc. and Michael Leeds requested dismissal of claim with prejudice plus costs and attorney's fees or, alternatively, should Respondents Michael Leeds or Greentree Securities, Inc. be found liable to Claimant, Michael Leeds and/or Greentree Securities, Inc. have a claim over and against Thomas Francis and Richard Greenstein in the amount of Claimant's alleged damages. Respondent Richard Greenstein requested dismissal of claim. Respondent Thomas Francis requested dismissal of claim.


AWARD

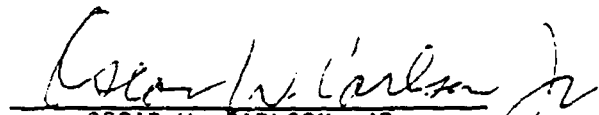
On May 30, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Joseph Woody on May 1, 1989 and by Respondent Thomas Francis on July 21, 1989, by Respondent Richard Greenstein on July 21, 1989, by Respondent Michael Leeds on May 30, 1990 and not signed by Respondent Greentree Securities, Inc. as required pursuant to Section 8 of the NASD Code of Arbitration Procedure. The hearing was conducted in Baltimore, MD and consisted of two (2) hearing sessions. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. In accordance with Section 25 of the NASD Code of Arbitration Procedure the Respondent Greentree Securities, Inc. was served with the Statement of Claim and given an opportunity to respond which Greentree Securities, Inc. did.
2. In accordance with Section 21 and Section 26 of the NASD Code of Arbitration Procedure the Respondent Greentree Securities, Inc. was given due notice of the hearing procedure by regular and certified mail and failed to appear at the hearing.
3. In accordance with Section 29 of the NASD Code of Arbitration Procedure, the arbitration panel determined in light of the foregoing information to proceed with the hearing as scheduled.
4. The claim by the Claimant Joseph Woody be and hereby is dismissed in all respects.
5. The crossclaim by Respondents Greentree Securities, Inc. and Michael Leeds against Respondents Thomas Francis and Richard Greenstein be and hereby is dismissed in all respects.
6. The parties shall each bear their respective costs including attorney's fees.
7. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimant and Respondent Greentree Securities, Inc. be and hereby is liable and shall pay to the Claimant the sum of \$200.00 to offset the filing fee paid by the Claimant. In addition, the Respondent Michael Leeds be and hereby is liable and shall pay to the NASD the sum of \$200.00 to represent forum fees and the Respondent Thomas Francis be and hereby is liable and shall pay to the NASD the sum of \$200.00 to represent forum fees.

CONCURRING ARBITRATORS


THOMAS B. COREY


J. MARTIN McDONOUGH, JR.


OSCAR W. CARLSON, JR.

Dated: July 13, 1990