

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4389

In the Matter of the Arbitration Between

Name of Claimant

George Feliciano

91-01081

Name of Respondents

Thomas James Associates, Inc.
Gregory Roth
James Rooney

REPRESENTATION

For Claimant: George Feliciano represented himself.

For Respondents Thomas James Associates, Inc., Gregory Roth and James Rooney:
Susan Roberts, Esq. of Thomas James Associates, Inc.

CASE INFORMATION

Statement of Claim filed: April 5, 1992.

Claimant George Feliciano's ("Claimant") Submission Agreements signed on:
March 27 and April 27, 1991.

Joint Statement of Answer filed by Respondents Thomas James Associates, Inc.
("Thomas James") and James Rooney ("Rooney") on: August 12, 1991.

Respondent Thomas James' Submission Agreement signed on: August 9, 1991.

Respondent Rooney's Submission Agreement signed on: August 7, 1991.

Statement of Answer filed by Respondent Gregory Roth ("Roth") on: July 29,
1991.

Respondent Roth's Submission Agreement signed on: September 20, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: January 8, 1992 - one session
January 9, 1992 - one session

Hearing Location: NASD Office in New York City

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Award 91-01081

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CASE SUMMARY

Claimant alleged that Respondents made fraudulent statements to induce the Claimant to invest his money in speculative securities, such as Phoenix Laser Systems, Megamotion and International Superconductor. Claimant alleged that Respondents failed to disclose material facts such as the risky nature of the investments recommended by Roth and Rooney. Claimant alleged that Respondents used high pressure sales tactics to induce him to purchase unsuitable stocks. Claimant alleged that Respondents failed to disclose excessive mark ups. Claimant further alleged that Respondents used scandalous schemes of selling securities with the intent to defraud prospective customers.

Respondents maintained that Claimant is a dissatisfied customer who is trying to recoup his losses from the Respondents. Respondents maintained that Claimant made the decision to purchase the securities in his account at Thomas James. Respondents Roth and Rooney maintained that they fully disclosed to Claimant all material risks related to the securities that Claimant purchased. Respondents maintained that these investments were suitable given Claimant's investment experience, goal and objectives. Respondents maintained that no guarantees were ever made to Claimant. Respondents maintained that Claimant was in control of his account at all times and that Claimant made the decision to close his account at Thomas James. Respondents maintained that Claimant's stocks were not excessively marked up and that Respondents had no scheme to defraud its customers. Respondents maintained that Claimant did not complain about the handling of his account until this claim was filed.

RELIEF REQUESTED

Claimant requested: Compensatory damages in the amount of \$36,271.25, treble damages in the amount of \$108,813.75 and punitive damages in the amount of \$2,000,000.00.

Respondents requested: That Claimant's claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondents Thomas James and Gregory Roth are jointly and severally liable to the Claimant and shall pay to the Claimant the sum of TWO THOUSAND FOUR HUNDRED NINETY AND 00/100 DOLLARS (\$2,490.00); inclusive of interest.
2. That in exchange for the \$2,490.00, the Claimant is directed to return to Thomas James the 4400 Megamation Warrants.
3. That Respondent Gregory Roth is liable to the Claimant and shall pay to the Claimant the sum of TWO HUNDRED THIRTY SEVEN 00/100 DOLLARS (\$237.00).
4. All claims against Respondent Rooney are denied in their entirety.
5. All claims for treble and punitive damages are denied in their entirety.


FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the forum fees shall be assessed against Respondents Thomas James and Gregory Roth. The forum fees for this matter are \$1000 per session. There were two hearing sessions conducted in this matter so that Respondents Thomas James and Roth are jointly and severally assessed forum fees in the amount of \$2,000.00.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator's Signature

Name


Leah Rabinowitz

Public Arbitrator

Date of Decision: March 30th, 1992

NASD

Arbitration

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4389

STATE OF New York ss.:

COUNTY OF New York

On this 11 day of MARCH 19 92, before me personally
appeared Leah G. Rabinowitz to me known and known before me to be the
individual described in and who executed the foregoing instrument and he duly
acknowledged to me that he executed the same.

Jeffrey Packer

LC25A

JEFFREY PACKER
Notary Public, State of New York
No. 31-4873805
Qualified in Westchester County
Commission Expires April 30, 1992

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

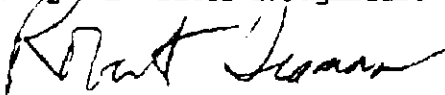
1. That Respondents Thomas James and Gregory Roth are jointly and severally liable to the Claimant and shall pay to the Claimant the sum of TWO THOUSAND FOUR HUNDRED NINETY AND 00/100 DOLLARS (\$2,490.00); inclusive of interest.
2. That in exchange for the \$2,490.00, the Claimant is directed to return to Thomas James the 4400 Megamation Warrants.
3. That Respondent Gregory Roth is liable to the Claimant and shall pay to the Claimant the sum of TWO HUNDRED THIRTY SEVEN 00/100 DOLLARS (\$237.00).
4. All claims against Respondent Rooney are denied in their entirety.
5. All claims for treble and punitive damages are denied in their entirety.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the forum fees shall be assessed against Respondents Thomas James and Gregory Roth. The forum fees for this matter are \$1000 per session. There were two hearing sessions conducted in this matter so that Respondents Thomas James and Roth are jointly and severally assessed forum fees in the amount of \$2,000.00.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator's Signature
Name


Robert Seaman

Public Arbitrator

Date of Decision:

3/13/92

NASD Date of Decision: March 30th, 1992

NASD

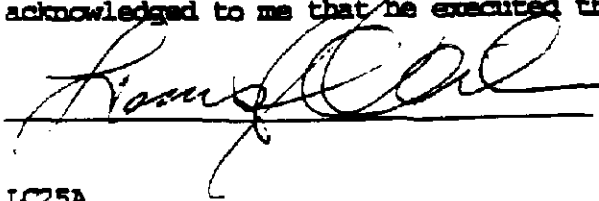
Arbitration

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NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4389

STATE OF New York ss.:

COUNTY OF New York

On this 17th day of March 19 92 before me personally
appeared Robert Seamon, Esq. to me known and known before me to be the
individual described in and who executed the foregoing instrument and he duly
acknowledged to me that he executed the same.



LC25A

LOUIS S. OLENICK
NOTARY PUBLIC, State of New York
JAN 21 1992
Queens County
Commission Expires: SEP. 30, 1993

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondents Thomas James and Gregory Roth are jointly and severally liable to the Claimant and shall pay to the Claimant the sum of TWO THOUSAND FOUR HUNDRED NINETY AND 00/100 DOLLARS (\$2,490.00); inclusive of interest.
2. That in exchange for the \$2,490.00, the Claimant is directed to return to Thomas James the 4400 Registration Warrants.
3. That Respondent Gregory Roth is liable to the Claimant and shall pay to the Claimant the sum of TWO HUNDRED THIRTY SEVEN 00/100 DOLLARS (\$237.00).
4. All claims against Respondent Seoney are denied in their entirety.
5. All claims for trouble and punitive damages are denied in their entirety.

FORUM FEES

Pursuant to Section 43(d) of the Code of Arbitration Procedure, the forum fees shall be assessed against Respondents Thomas James and Gregory Roth. The forum fees for this matter are \$1000 per session. There were two hearing sessions conducted in this matter so that Respondents Thomas James and Roth are jointly and severally assessed forum fees in the amount of \$2,000.00.

Fees are payable to the National Association of Securities Dealers, Inc.

Concerning Arbitrators' Signatures

Name

Marcia Kessler
Marcia Kessler

Industry Arbitrator

Date of Decision: March 30th 1992



Arbitration

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4388

STATE OF New York ss.:

COUNTY OF New York

On this 27th day of March 19 92 before me personally
appeared Marcia Kessler to me known and known before me to be the individual
described in and who executed the foregoing instrument and he duly
acknowledged to me that he executed the same.

Diane Kolakowski

DIANE KOLAKOWSKI
Notary Public, State of New York
No. 31-4838011
Qualified in New York County
Commission Expires April 30, 1994

LC25A