

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Jeffrey Brooks Securities, Inc.

92-02077

Name of Respondent

J. Gregory & Co., Inc.

REPRESENTATION

For Claimant Jeffrey Brooks Securities, Inc. ("Claimant"): Michael G. Shannon, Esq. of the law firm of Phillips, Lytle, Hitchcock, Blain & Huber located in New York City, New York.

For Respondent J. Gregory & Co., Inc. ("Respondent"): Jeffrey S. Rosen, Esq. of the law firm of DeMartino Finkelstein Rosen & Virga located in Washington, D.C.

CASE INFORMATION

Statement of Claim filed: June 15, 1992.

Claimant's Submission Agreement signed on: June 16, 1992.

Statement of Answer filed by Respondent on: September 3, 1992.

Respondent's Submission Agreement signed on: September 2, 1992.

HEARING INFORMATION

Pre-Hearing Conference: April 14, 1993 - One Session

Hearing Dates/Sessions: June 9, 1993 - One Session
May 5, 1994 - Two Sessions

Hearing Location: National Association of Securities Dealers, Inc. offices located in New York City, New York.

CASE SUMMARY

Claimant alleged that Respondent acted as co-underwriter and Claimant acted as lead underwriter with respect to an initial public offering consisting of 300,000 units at a purchase price of \$6 per unit on behalf of Juniper Features, Ltd ("the Company"); that each unit consists of one share of the Company's 12% Non-Voting Convertible Redeemable Preferred Stock at a par value of \$10, two shares of Common Stock at a par value of \$.001, and one redeemable Class A Warrant; that the offering closed on May 8, 1991 providing the Company with \$1,620,000.00 in proceeds; and that as partial consideration for their underwriting services provided to the Company, Claimant and Respondent were each entitled to purchase from the Company, at any time after May 1, 1992 and before May 1, 1996, 15,000 of the units for an exercise price of \$7.20 per unit.

Claimant further alleged that on or about June 14, 1991, Claimant purchased from Respondent for \$7,500.00, all of Respondent's right, title and interest in the underwriting agreements, including Respondent's rights under Respondent's Warrant Certificate to purchase 15,000 units from the Company; that on or about May 1, 1992, Claimant made demand upon the Company for registration of the units and the underlying securities pursuant to Claimant's Warrant Certificate; that notwithstanding Claimant's request, Respondent has refused to execute and deliver to Claimant documents sufficient to permit Claimant to exercise its right to purchase the 15,000 units pursuant to Respondent's Warrant Certificate, which were sold and assigned to Claimant; and that the current market price of the underlying securities is substantially higher than the price at which the securities can be purchased through payment of the exercise price under the Warrant Certificates.

Respondent admitted that on or about June 14, 1991 Claimant purchased Respondent's remaining rights under the Underwriting Agreement for \$7,500.00, however, Respondent denied that Claimant made demand upon the Company for registration of the units and the underlying securities pursuant to Claimant's Warrant Certificates; and denied that Respondent has refused to execute and deliver to Claimant documents sufficient to permit Claimant to exercise its right to purchase the 15,000 units pursuant to Respondent's Warrant Certificate, which were sold and assigned to Claimant.

Respondent also maintained that Claimant failed to state a claim upon which relief may be granted; and that Respondent purchased the Warrant Certificates on or about May 8, 1992 and thus since Respondent's rights under the Underwriting Agreement to purchase the Warrant Certificates had been exercised before June 14, 1992, such rights could not have been included in the remaining rights the Claimant purchased.

Respondent further maintained that the Statement of Claim did not include or refer to, nor was Respondent aware of any written instrument providing for the transfer

of Respondent's Warrant Certificate to Claimant, thus any alleged agreement to transfer the Warrant Certificates to Claimant is unenforceable; that \$7,500.00 is not sufficient consideration for the transfer of the Warrant Certificates and the other rights under the Underwriting Agreement from Respondent to Claimant; and that enforcement of the alleged agreement of Respondent to transfer the Warrant Certificates to Claimant for \$7,500.00 would be unequitable.

RELIEF REQUESTED

Claimant requested an award against the Respondent for the following:

1. A Declaration that Claimant holds all of Respondent's rights under the Underwriting Agreements and under Respondent's Warrant Certificate, and directing Respondent to execute and deliver to Claimant all documents and instruments sufficient to permit Claimant's exercise of such rights.
2. Damages in an amount to be determined.
3. Costs and disbursements of this proceeding.
4. Such other relief as the arbitration panel deems just and proper.

Respondent requested that the arbitration panel find in Respondent's favor as follows:

1. Respondent is not obligated to transfer the Warrant Certificates to Claimant for \$7,500 pursuant to the alleged transfer agreement; and
2. Awarding Respondent the costs and disbursements of this proceeding.

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 arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against the Respondent be and hereby are dismissed.
2. Each party shall bear their respective costs, including attorneys fees.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

non-refundable filing fee			\$ 500.00
1 pre-hearing conference			\$ 300.00
3 postponement requests	x	\$300.00	\$ 900.00
3 hearing sessions	x	\$750.00	\$2,250.00
			<u>\$3,950.00</u>

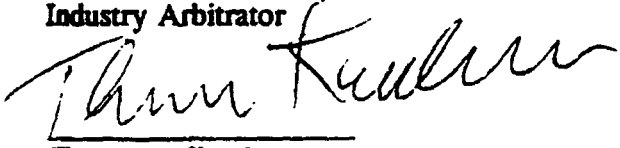
1. Claimant be and hereby is liable in the sum of \$1,825.00 representing one-half of the forum fees assessed. Claimant deposited the sum of \$1,150.00 with the NASD which shall be applied to the forum fees assessed by the arbitrators. Therefore, the balance due and owing to the NASD is \$ 675.00.
2. Respondent be and hereby is liable and shall pay to the NASD the sum of \$1,825.00 representing one-half of the forum fees assessed.

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

Concurring Arbitrators' Signatures
Name

Daniel Donovan, Esq.
Chairperson - Industry Arbitrator

Richard Apicella, Esq.
Industry Arbitrator



Theodore Kimelman
Industry Arbitrator

Date of Decision: June 30, 1994

STATE OF

COUNTY OF

On this 23 day of June, 1994, before me personally appeared Charles R. Smith known to me to be the individual described in and who executed the foregoing instrument and duly acknowledged to me that he/she executed the same.

Deborah Dejean

1. All claims against the Respondent be and hereby are dismissed.
2. Each party shall bear their respective costs, including attorneys fees.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

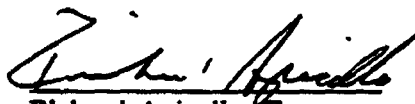
non-refundable filing fee			\$ 500.00
1 pre-hearing conference			\$ 300.00
3 postponement requests	x	\$300.00	\$ 900.00
3 hearing sessions	x	\$750.00	\$2,250.00
			<u>\$3,950.00</u>

1. Claimant be and hereby is liable in the sum of \$1,825.00 representing one-half of the forum fees assessed. Claimant deposited the sum of \$1,150.00 with the NASD which shall be applied to the forum fees assessed by the arbitrators. Therefore, the balance due and owing to the NASD is \$ 675.00.
2. Respondent be and hereby is liable and shall pay to the NASD the sum of \$1,825.00 representing one-half of the forum fees assessed.

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

Concurring Arbitrators' Signatures
Name

Daniel Donovan, Esq.
Chairperson - Industry Arbitrator



Richard Apicella, Esq.
Industry Arbitrator

Theodore Kimelman
Industry Arbitrator

Executed on:

Date of Decision: June 30, 1994

Date of Decision: June 30, 1994

STATE OF

COUNTY OF

On this 20 day of June, 1994, before me personally appeared Richard Apicella known to me to be the individual described in and who executed the foregoing instrument and duly acknowledged to me that he/she executed the same.

Deborah A. DeJesus

DEBORAH A. DEJESUS
Notary Public, State of New York
No. 02DES022978
Qualified in New York County 96
Commission Expires January 24, 1996

1. All claims against the Respondent be and hereby are dismissed.
2. Each party shall bear their respective costs, including attorneys fees.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

non-refundable filing fee			\$ 500.00
1 pre-hearing conference			\$ 300.00
3 postponement requests	x	\$300.00	\$ 900.00
3 hearing sessions	x	\$750.00	\$2,250.00
			<hr/>
			\$3,950.00

1. Claimant be and hereby is liable in the sum of \$1,825.00 representing one-half of the forum fees assessed. Claimant deposited the sum of \$1,150.00 with the NASD which shall be applied to the forum fees assessed by the arbitrators. Therefore, the balance due and owing to the NASD is \$ 675.00.
2. Respondent be and hereby is liable and shall pay to the NASD the sum of \$1,825.00 representing one-half of the forum fees assessed.

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

Concurring Arbitrators' Signatures
Name



Daniel Donovan, Esq.
Chairperson - Industry Arbitrator

Richard Apicella, Esq.
Industry Arbitrator

Theodore Kimelman
Industry Arbitrator

Date of Decision: June 30, 1994

STATE OF Maryland
COUNTY OF Baltimore

On this 27th day of June, 1994, before me personally appeared Daniel Donovan known to me to be the individual described in and who executed the foregoing instrument and duly acknowledged to me that ~~he~~^{she} executed the same.

Mary Teresa Schumeyer

MARY TERESA SCHUMAYER
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires June 12, 1996