

9907054

AWARD

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Ray and Mary Parchment

and

96-00118

Name of Respondents

Kirk D. Miles,

Pacific Cliffs Capital, Inc.,

John Iams,

Carroll Bennett Roodhouse,

William Garmany, and

Leslie Rose

REPRESENTATION OF PARTIES

Ray and Mary Parchment ("Claimants") were represented by Firmin A. Puricelli, Esq., St. Mary, Parchment
Louis, Missouri.

Kirk D. Miles ("Miles") was not represented. Claimants settled their claim against Miles prior to the hearing.

Pacific Cliffs Capital, Inc. ("PCCI") was not represented. PCCI is bankrupt and removed as a party to this arbitration.

John Iams ("Iams") was not represented. Claimants settled their claim against Iams prior to the hearing.

Carroll Bennett Roodhouse ("Roodhouse ") was not represented. Claimants settled their claim against Roodhouse prior to the hearing.

William Garmany ("Garmany") was not represented, and did not appear at the hearing.

Leslie Rose ("Rose") was not represented, and did not appear at the hearing.

CASE INFORMATION

Claimants filed the Statement of Claim on or about January 10, 1996. Claimants filed an Amended Statement of Claim on or about December 8, 1997. Claimants signed a Submission Agreement on January 4, 1996.

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Respondents, except for Miles, failed to Answer or respond in any fashion to the Statement of Claim.

HEARING INFORMATION

The Arbitration Panel held a hearing on July 15, 1999 in St. Louis, Missouri for a total of one (1) session.

CASE SUMMARY

Claimants alleged that, among other things, Respondents Rose and Garmany engaged in various acts, practices and courses of conduct which operated as a fraud on the Claimants.

RELIEF REQUESTED

Claimants requested an award in the amount of \$30,000.00 in actual damages against Garmany, \$30,000.00 in actual damages against Rose, and \$300,000.00 in punitive damages against Garmany and Rose, jointly and severally.

OTHER ISSUES CONSIDERED & DECIDED

Respondents Garmany and Rose failed to appear at the hearing. Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondents Garmany and Rose were properly served with the Statement of Claim pursuant to Rules 10302 and 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondents Garmany and Rose received due notice of the hearing as required under Rule 10315 of the Code, and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

Claimants amended their claim orally at the hearing. Claimants requested specific damages in a total amount of \$360,000.00 against the remaining Respondents, Garmany and Rose. The panel allowed the amendment.

The parties present at the hearing 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 original award(s) will remain on file with NASD Regulation, Inc.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

Respondent William Garmany is liable for, and shall pay to the Claimants the sum of \$30,000.00 as an award of their claim for actual damages.

Respondent Leslie Rose is liable for, and shall pay to the Claimants the sum of \$30,000.00 as an award of their claim for actual damages.

Respondents William Garmany and Leslie Rose are jointly and severally liable for, and shall pay to the Claimants the sum of \$300,000.00 as an award for their claim of punitive damages. The request for punitive damages was uncontested by Respondents William Garmany and Leslie Rose.

Respondents William Garmany and Leslie Rose are jointly and severally liable for, and shall pay all forum fees associated with this arbitration.

All other claims for relief not specifically set forth herein are, and each of them, denied with prejudice.

FORUM FEES

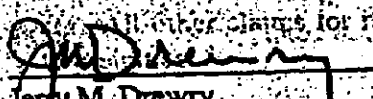
Forum fees are calculated at the rate of \$750 per hearing session and \$300 for each prehearing conference, if any. There was one (1) hearing session \times \$750 = \$750 in forum fees. Pursuant to Rule 10332(b) of the Code, a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to Rule 10332(c) of the Code, NASD Regulation, Inc. shall retain the non-refundable filing fee in the amount of \$200 and shall refund the hearing session deposit in the amount of \$750 previously deposited with NASD Regulation, Inc. by the Claimants.

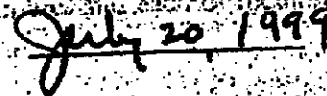
Additional forum fees in the amount of \$750 are assessed by the arbitrators jointly and severally against Respondents Rose and Garmany.

Fees are payable to NASD Regulation, Inc.

Dated:


Jerry M. Drewry
Public Arbitrator, Presiding Chair

FORUM FEES


July 20, 1999


Bruce S. Felhacker

Public Arbitrator


Lynn D. Newton

Industry Arbitrator

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Respondent Leslie Rose is liable for, and shall pay to the Claimants the sum of \$30,000.00 as an award of their claim for actual damages.

Respondents William Garmany and Leslie Rose are jointly and severally liable for, and shall pay to the Claimants the sum of \$300,000.00 as an award for their claim of punitive damages. The request for punitive damages was uncontested by Respondents William Garmany and Leslie Rose.

Respondents William Garmany and Leslie Rose are jointly and severally liable for, and shall pay all forum fees associated with this arbitration.

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Dated:

Jerry M. Drewry
Public Arbitrator, Presiding Chair


Bruce S. Feldacker
Public Arbitrator

Lynn D. Newton
Industry Arbitrator

7-22-99

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Respondents William Garmany and Leslie Rose are jointly and severally liable for, and shall pay all forum fees associated with this arbitration.

All other claims for relief not specifically set forth herein are, and each of them, denied with prejudice.

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Fees are payable to NASD Regulation, Inc.

Dated:

 Jerry M. Drewry
 Public Arbitrator, Presiding Chair

 Bruce S. Feldacker
 Public Arbitrator


 Lynn D. Newton
 Industry Arbitrator

 7/30/99