

9/7/2041

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Irene and Julio Garriga
and Judith Alexander

NASD CASE NO. 96-00922

Name of Respondents

Greenway Capital Corp.
and Michael J. DeMaio

REPRESENTATION

For Claimants: Raymond V. Miller, Esq. of Kaufman, Miller, Dickstein & Grunspan, P.A., Miami, Florida.

For Respondent Greenway Capital Corp. ("Greenway"): Ruthann G. Niosi, Esq., New York, New York. On July 7, 1997, NASD Regulation, Inc. received a letter from counsel stating that she was withdrawing as counsel to Respondent Greenway in this matter. Greenway Capital Corp. did not appear at the evidentiary hearing of this matter.

Respondent Michael J. DeMaio ("DeMaio") appeared pro se.

CASE INFORMATION

Statement of Claim filed on February 29, 1996. Claimants' Submission Agreements signed February 8, 1996 by Judith Alexander and April 18, 1996 by Irene Garriga and Julio Garriga.

Statement of Answer filed by Respondent Greenway on August 6, 1996. Respondent Greenway's Submission Agreement signed on September 20, 1996 by Fred Luthy, Executive Vice President of Greenway Capital Corp.

Statement of Answer filed by Respondent DeMaio on July 23, 1996. Respondent DeMaio's Submission Agreement signed on July 22, 1996.

HEARING INFORMATION

On October 21, 1997, in Fort Lauderdale, Florida, hearings lasting two (2) sessions were conducted.

CASE SUMMARY

Claimants alleged that Respondents Greenway and DeMaio misrepresented material facts in connection with the offer for sale and the sale of securities, namely shares of Pacific Animated Imaging Corp.

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("PCIM"), Entertainment And Gaming, International and IDC Holdings, Ltd. ("IDC") stock. Claimants alleged that Respondents made fraudulent misrepresentations, breached their fiduciary duties and manipulated the market in the subject securities. Claimants also alleged violations by the Respondents of the federal and Florida Racketeer Influenced and Corrupt Organizations ("RICO") Acts in view of Greenway's admitted prior manipulation of the market for the PCIM stock.

Respondent Greenway denied all allegations contained in the Statement of Claim and alleged that DeMaio only recommended securities which were consistent with the Claimants' investment objectives. Greenway asserted that any losses suffered by Claimants were the result of market losses and that Claimants had knowledge of and assumed the risks inherent in investing in the securities market. Greenway further alleged that Claimants ratified the transactions which occurred in their accounts. Greenway also asserted that in discharging its duties, if any, to Claimants, it acted in good faith and exercised at least that degree of care, diligence and skill which ordinarily prudent broker-dealers would exercise in similar circumstances and like positions.

Respondent DeMaio denied all allegations contained in the Statement of Claim and asserted that he never solicited the Claimants. DeMaio specifically asserted that Claimants instructed him, firmly and directly, to buy PCIM stock without any solicitation on his part and that his involvement with Claimants was limited to taking orders for trades from them. DeMaio further asserted that Claimants decided to purchase the PCIM and IDC stocks as a result of knowledge gained from their family relationship with Diana Mears, an employee of Greenway, and her Uncle, Fred Luthy, a senior partner of Greenway, Greenway allegedly having been a market maker in said securities.

RELIEF REQUESTED

Claimants Irene and Julio Garriga requested compensatory damages in the amount of \$15,000.00 and Claimant Judith Alexander requested compensatory damages in the sum of \$8,800.00. Claimants further requested interest, costs and attorneys' fees as provided by applicable law, treble and punitive damages, as well as damages for loss of investment opportunities.

Respondent Greenway requested that all claims against it be dismissed in their entirety.

Respondent DeMaio requested that all claims against him be dismissed in their 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 NASD Regulation, Inc.

In accordance with Rules 10310, 10315 and 10318 of the Code of Arbitration Procedure, the arbitration panel found that NASD Regulation, Inc. provided Respondent Greenway with "due notice" of the hearing conducted in this matter by regular and certified mail. The arbitration panel, therefore, determined to proceed with the hearing without Respondent Greenway present.

AWARD

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

- 9/12/97
1. Respondent Greenway is found liable and shall pay compensatory damages to Claimants in the total amount of \$6,000.00, inclusive of pre-judgment interest.
 2. Claimants' claims against Respondent DeMaio are dismissed in their entirety.
 3. All other claims for relief, including Claimants' requests for treble and punitive damages, damages for lost investment opportunities, costs and attorneys' fees, are denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$1,000.00 (two sessions X \$500.00 per session) as follows:

1. Respondent Greenway is hereby assessed the sum of \$1,000.00 for which NASD Regulation, Inc. shall retain the \$500.00 hearing session deposit previously paid by Claimants in partial satisfaction thereof, leaving a balance due in the amount of \$500.00.
2. Respondent Greenway is liable and shall pay to NASD Regulation, Inc. the sum of \$300.00 representing the member surcharge due and owing pursuant to Rule 10333 of the Code of Arbitration Procedure.
3. NASD Regulation, Inc. shall retain the \$150.00 non-refundable claim filing fee previously paid by Claimants.

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

Concurring Arbitrators' Signatures

Name

Public/Industry

_____/s/_____
Gary M. Landau, Esq.

Public

_____/s/_____
Alan B. Goldstein, Esq.

Public

_____/s/_____
James C. Devine

Industry

Date of Decision: December 8, 1997