

**BEFORE NASD REGULATION, INC.**

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In the Matter of the Arbitration Between

**GERALD TURNER and AUDREY TURNER,**

*Claimants,*

and

No. 96-2696

**MICHAEL SCLAFANI**

and

**GREENWAY CAPITAL CORPORATION,**

*Respondents.*

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**STIPULATED AWARD**

**Representation**

Claimants appeared pro se.

Respondent Michael Sclafani was represented by Daniel J. Dugan, Esq. Respondent Greenway Capital Corporation was not represented, did not participate and is not a party to this Stipulated Award.

**Case Information**

Statement of Claim filed: February 21, 1996

Claimants' Submission Agreement signed on: July 10, 1996

Statement of Answer filed by Respondent Sclafani on: August 27, 1996

Submission Agreement signed by Respondent Sclafani on: August 27, 1996

**Hearing Information**

The hearing scheduled for July 20, 1998 was not held because the parties reached the settlement incorporated in this Stipulated Award.

**Case Statement**

Claimants asserted that the Respondents had engaged in two unauthorized trades in

February 1996, particularly the sale of 3000 shares of Teletek Inc. and the purchase of 7500 warrants of Paramount Financial Corporation.

Respondent Sclafani asserted that Claimants had authorized each trade after he discussed with Claimant Gerald Turner the fact that the stock of Teletek was being manipulated, based on press reports and other information available to him.

#### **Relief Requested**

Claimants requested that the trades be reversed and that the 3000 shares of Teletek be restored to their account.

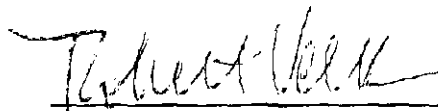
Respondents requested that the claim be dismissed.

#### **Stipulated Award**

In a compromise, and without the direct or indirect admission by Respondent Sclafani of any wrongdoing or impropriety, the parties have agreed upon a settlement to be entered as a Stipulated Award. A copy of the settlement agreement signed by the parties is attached and made a part of this Stipulated Award.

#### **Fees**

All fees have been paid. In the absence of any hearing, no additional fees are assessed. Respondent Sclafani's request for a continuance of the July 20, 1998 hearing is moot as a result of the settlement, and NASD, Inc. shall return the \$300 continuance fee to Sclafani's counsel.



Robert Volk, Arbitrator

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Jack A. Marshall, Arbitrator

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Kirby B. Scarborough, Arbitrator

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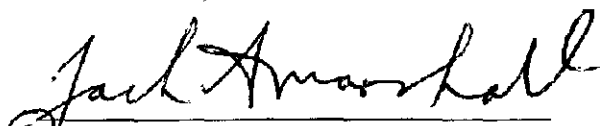
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July 17, 1998

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**VIA FACSIMILE 510-792-2897**

Gerald Turner

**Re: NASD Arbitration No. 96-2696,  
Gerald Turner, et al. v. Michael Sclafani, et al.**

Dear Mr. Turner:

This will confirm the settlement we reached in this matter. The terms are as follows:

1. Michael Sclafani will pay you a total of \$6,500.
2. Payment of that \$6,500 will be made as follows:  
\$2,200 on or before July 24, 1998;  
\$1,100 on or before the 24th of August, September and October, 1998  
The remaining \$1,000 on or before November 24, 1998.
3. Michael Sclafani does not admit any wrongdoing or guilt in this matter.
4. Parties will promptly complete and submit to the NASD the paperwork necessary to have this settlement entered as a Stipulated Award.
5. You will notify the NASD by 3:00 p.m. today that this matter has been settled and that the arbitrators do not need to appear on July 20, 1998.

This constitutes the entire agreement among the parties. Please sign below to indicate your agreement to and acceptance of the terms and fax me back a signed copy of this letter. If you have any questions, give me a call.

Sincerely,

  
Daniel J. Dugan

/kj

cc: Michael Sclafani (via facsimile 212-223-4707)

Agreed and Accepted

By: \_\_\_\_\_  
Gerald Turner on behalf  
of himself and Audrey Turner,  
his wife