
In the Matter of the Arbitration Between

Names of Claimants

Alexander and Andromachy Theoharous

Case No. 98-04617

Hearing Site: Boca Raton, Florida

Names of Respondents

Janney Montgomery Scott, Inc.
C. Lance Bailey

REPRESENTATION OF PARTIES

For Alexander and Andromachy Theoharous ("Theoharous") hereinafter collectively referred to as "Claimants": Eugene Michael Kennedy, Esq., Fort Lauderdale, Florida.

For Janney Montgomery Scott, Inc. ("Janney") and C. Lance Bailey ("Bailey") hereinafter collectively referred to as "Respondents": Paula D. Shaffner, Saul, Ewing, Remick and Saul, LLP, Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on or about: December 4, 1998.

Amended Statement of Claim filed on or about: June 16, 2000.

Claimants signed the Uniform Submission Agreement: November 30, 1998.

Statement of Answer filed by Respondents on or about: May 5, 1999.

Statement of Answer to Amended Statement of Claim filed by Respondents on or about: June 29, 2000.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimants asserted the following: 1) Respondent Bailey failed to advise Claimants of material facts; 2) Respondent Bailey committed wrongful acts and omissions in the handling of Claimants' accounts; 3) Respondent Janney failed to supervise Respondent Bailey; 4) Respondents Bailey and Janney made false representations to Claimants to induce them to make certain transactions; 5) Respondents Bailey and Janney made unsuitable recommendations to Claimants; 6) Respondents Bailey and Janney breached their agreement with Claimants; 7) Respondents Bailey and Janney breached their fiduciary duty to Claimants; 8) Respondents Bailey and Janney acted adversely to the interests of Claimants; 9) Respondents Bailey and Janney violated the NASD Rules of Fair Practice; and 10)

Respondents Bailey and Janney utilized a scheme, device and artifice in connection with the purchase and sale of securities in Claimants' account in violation of Chapter 517, Florida Statutes. The causes of action relate to the purchase and sale of Roadmaster Industries, Inc. Senior Notes and Convertible Debentures, and Claridge Hotel and Casino bonds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Claimants' claims are barred as the claims are the subject of a class action; 2) Claimants are estopped from making their claims because the acts about which they complain were done at the direction of and with the full authority and permission of Claimants; 3) Claimants are estopped from making their claims by the equitable doctrine of laches and unclean hands; 4) Claimants' claims are barred by the applicable statutes of limitation; 5) Claimants have ratified any actions which they now allege to be improper; 6) Claimants failed to mitigate their damages; 7) Any damages are attributable to market conditions and the nature of the individual investments, not to any act or omission of Respondents; 8) Any damages were caused by the actions and negligence of third parties for whom Respondents are not responsible; 9) Claimants have failed to state a claim upon which relief can be granted; 10) No action or inaction by Respondents caused or contributed in any manner to the loss alleged in the Statement of Claim; 11) Claimants' accounts were properly handled by Respondent Bailey and properly supervised by Respondent Janney; and 12) Claimants were fully aware of, authorized and directed the trading in their accounts with full knowledge of the consequences of that trading.

RELIEF REQUESTED

Claimants requested compensatory damages of \$1,147,371.00, plus interest, attorney's fees, the costs of this proceeding and such other relief as is deemed just and proper.

Respondents requested that all claims against them be dismissed, plus attorneys' fees, the costs of this proceeding and such other and further relief as is deemed just and proper. In addition, Respondent Bailey requested that all references to this matter be expunged from his Central Registration Depository ("CRD") record.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Bailey and Janney did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

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.

AWARD

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

Claimants' claims are denied in their entirety.

Claimants' request for attorneys' fees is denied.

The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Bailey's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Bailey must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Any and all requests for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$250.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

May 9, through May 11, 2000, adjournment requested jointly by Claimants and Respondents. The adjournment fee of \$1,000.00 was waived by the Panel.

October 16, through October 18, 2000, adjournment requested jointly by Claimants and Respondents. The Panel determined that the hearing should be cancelled by Order of the Panel. Therefore, the adjournment fee of \$1,000.00 was waived by the Panel.

October 30, through October 31, 2000, adjournment requested jointly by Claimants and Respondents. The adjournment fee of \$1,000.00 was waived by the Panel.

Forum Fees and Assessments

The panel has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) Pre-hearing sessions with Panel x \$1,000.00	= \$3,000.00
Pre-hearing conferences: September 22, 1999	1 session
April 6, 2000	1 session
November 30, 2000	1 session
Five (5) Hearing sessions x \$1,000.00	= \$5,000.00
Hearing Dates: May 16, 2001	2 sessions
May 17, 2001	2 sessions
May 18, 2001	1 session
Total Forum Fees	= \$8,000.00

The panel has assessed the total forum fees of \$8,000.00 jointly and severally to Claimants.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 250.00
Forum Fees	= \$8,000.00

Total Fees	= \$8,250.00
Less payments	= \$1,250.00
Balance Due NASD Dispute Resolution, Inc.	= \$7,000.00

Respondent Janney be and hereby is solely liable for:

Member Fees	= \$6,100.00
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Total Fees	= \$6,100.00
Less payments	= \$6,100.00
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Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

<i>Martin Weinberg</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Stanley Seidman</i>	-	<i>Public Arbitrator</i>
<i>Mark B. Beloyan</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Martin Weinberg
Public Arbitrator, Presiding Chair

Signature Date

/s/
Stanley Seidman
Public Arbitrator

Signature Date

/s/
Mark B. Beloyan
Non-Public Arbitrator

Signature Date

June 28, 2001

Date of Service (For NASD-Dispute Resolution office use only)

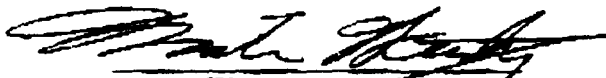
Member Fees	= \$6,100.00
Total Fees	= \$6,100.00
Less payments	= \$6,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

<i>Martin Weinberg</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Stanley Seidman</i>	-	<i>Public Arbitrator</i>
<i>Mark B. Beloyan</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures



Martin Weinberg
Public Arbitrator, Presiding Chair

6/28/01

Signature Date

Stanley Seidman
Public Arbitrator

Signature Date

Mark B. Beloyan
Non-Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

Member Fees	= \$6,100.00
Total Fees	= \$6,100.00
Less payments	= \$6,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

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<i>Stanley Seidman</i>	-	<i>Public Arbitrator</i>
<i>Mark B. Beloyan</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Martin Weinberg
Public Arbitrator, Presiding Chair

Signature Date

Stanley Seidman
Stanley Seidman
Public Arbitrator

6-27-01
Signature Date

Mark B. Beloyan
Non-Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

Member Fees	= \$6,100.00
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Total Fees	= \$6,100.00
Less payments	= \$6,100.00
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Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

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ARBITRATION PANEL

Martin Weinberg	-	Public Arbitrator, Presiding Chair
Stanley Seidman	-	Public Arbitrator
Mark B. Beloyan	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Martin Weinberg
Public Arbitrator, Presiding Chair

Signature Date

Stanley Seidman
Public Arbitrator

Signature Date

Mark B. Beloyan
Mark B. Beloyan
Non-Public Arbitrator

6.26.01
Signature Date

Date of Service (For NASD-Dispute Resolution office use only)