

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Douglas Faris

Case No. 99-00253

Names of Respondents

Foster Jeffries Securities, LLC
Frederick Hentschel
Marcus Ramos

REPRESENTATION OF PARTIES

For Douglas Faris, hereinafter referred to as "Claimant": Randy Scott Zelin, Esq., Randy Scott Zelin, P.C., Westbury, New York.

For Foster Jeffries Securities, LLC ("Foster Jeffries"), Frederick Hentschel ("Hentschel") and Marcus Ramos ("Ramos"), hereinafter collectively referred to as "Respondents": Dan A. Druz, Esq., Manasquan, New Jersey. On or about July 3, 2000, Dan A. Druz, Esq. withdrew as counsel for Respondents, and thereafter, Respondents did not appear.

CASE INFORMATION

Statement of Claim filed on or about: January 20, 1999.

Claimant signed the Uniform Submission Agreement on: December 30, 1999.

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

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder; 2) violations of Section 12(2) of the Securities Act of 1933; 3) violations of Section 9(e) of the Securities Exchange Act of 1934; 4) violations of Section 9(a) of the Securities Exchange Act of 1934; 5) common law fraud; 6) breach of fiduciary duty; and 7) churning. The causes of action relate to the purchase of shares of stock in American Health Choice, Brake Headquarters USA, U.S. Automotive, Multimedia Gaming, and Jenna Lane, Inc.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Claimant failed to state a claim upon which relief may be granted; 2) Claimant's losses, if any, were caused by market

conditions; 3) Claimant failed to use due diligence with respect to the transactions at issue; 4) Claimant's losses, if any, were caused by Claimant's own conduct or negligence; 5) Claimant's losses, if any, were caused by persons, conditions or events beyond the control of Respondents; 6) Claimant knew and ratified the acts that he complains of; 7) Claimant authorized and directed the execution of all transactions in his accounts; 8) Respondents acted in good faith and exercised reasonable care; 9) Respondents did not know and could not have known of any untruths or omissions alleged by Claimant; 10) Respondents did not owe a fiduciary duty to Claimant; 11) there is no private right of action for violations of the NASD Rules of Fair Practice; 12) Claimant's claim for damages is speculative; 13) Claimant assumed the risks of his investments; 14) Respondent Foster Jeffries acted in good faith; 15) Claimant's losses, if any, were not proximately caused by the conduct of Respondents; 16) Respondent Foster Jeffries' supervisory procedures were sufficient under applicable regulatory requirements; 17) Claimant is not entitled to an award of punitive damages; and 18) Claimant is not entitled to an award of attorneys' fees.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$609,267.00; 2) punitive damages; 3) costs; 4) interest; and 5) attorneys' fees.

Respondents requested dismissal of the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents failed to appear at the evidentiary hearing in this matter. Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondents have been properly served with the Statement of Claim, answered the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without Respondents present, in accordance with the NASD-DR Code of Arbitration Procedure (the "Code").

Respondents did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

The Claimant at the evidentiary hearing 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:

1. Respondents are liable, jointly and severally, and shall pay to Claimant compensatory damages in the amount of \$609,267.00, plus interest which shall begin to accrue as of April 1, 1998, at the legal rate under North Carolina law, and shall continue to accrue until the Award is paid in full.
2. Respondents are liable, jointly and severally, and shall pay to Claimant punitive damages in the amount of \$150,000.00. Post-judgment interest on the award of punitive damages shall accrue at the legal rate under North Carolina law in accordance with Rule 10330(h) of the Code. The Panel awards punitive damages for Respondents' commission of common law fraud upon the Claimant. Further, the Panel awards punitive damages pursuant to North Carolina common law and as enabled by the United States Supreme Court in Mastrobuono v. Shearson Lehman, 514 U.S. 52 (1995).
3. The Panel finds that Respondents committed common law fraud upon the Claimant. The Panel dismisses all other claims asserted by Claimant.
4. Respondents are liable and shall pay to Claimant the sum of \$200.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution, Inc.
5. Claimant's request for attorneys' fees is denied.
6. All other 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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, Respondent Foster Jeffries was no longer a member firm at the time of service of the claim. Therefore, member fees were not assessed to Respondent Foster Jeffries.

Adjournment Fees

Adjournments requested during these proceedings:

January 5, 6 and 7, 2000, adjournment request by Claimant (Adjournment fee assessed to Claimant)	= \$1,000.00
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June 26, 27 and 28, 2000, adjournment request by Claimant = \$1,000.00
(Adjournment fee assessed to Claimant)

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$1,000.00 = \$2,000.00

Pre-hearing conferences: August 20, 1999 1 session
June 20, 2000 1 session

Two (2) Hearing sessions x \$1,000.00 = \$2,000.00

Hearing Date: November 6, 2000 2 sessions

Total Forum Fees = \$4,000.00

The Panel has assessed the total forum fees of \$4,000.00 jointly and severally to Respondents.

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

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 250.00	
Adjournment Fee	= \$2,000.00	
Total Fees	= \$2,250.00	
<u>Less payments</u>	<u>= \$2,250.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$0.00

Respondents be and hereby are jointly and severally liable for:

Forum Fees	= \$4,000.00	
Total Fees	= \$4,000.00	
<u>Less payments</u>	<u>= \$ 0.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$4,000.00

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties.

Concurring Arbitrators' Signatures

/s/
David Brooks Adcock, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/
Ben T. Vernon
Industry Arbitrator

Signature Date

/s/
Robert N. Hunter, Jr., Esq.
Public Arbitrator

Signature Date

December 12, 2000
Date of Service (For NASD-DR office use only)

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Concurring Arbitrators' Signatures



David Brooks Adcock, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Ben T. Vernon
Industry Arbitrator

Signature Date

Robert N. Hunter, Jr., Esq.
Public Arbitrator

Signature Date

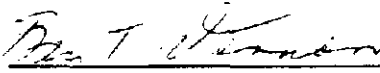
Date of Service (For NASD-DR office use only)

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties.

Concurring Arbitrators' Signatures

David Brooks Adcock, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Ben T. Vernon
Industry Arbitrator

12/5/00

Signature Date

Robert N. Hunter, Jr., Esq.
Public Arbitrator

Signature Date

Date of Service (For NASD-DR office use only)

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties.

Concurring Arbitrators' Signatures

David Brooks Adcock, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Ben T. Vernon
Industry Arbitrator

Signature Date



Robert N. Hunter, Jr., Esq.
Public Arbitrator

12-04-00

Signature Date

Date of Service (For NASD-DR office use only)