

Stipulated Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Douglas Fowlie Gill (Claimant) vs. M.H. Meyerson & Co., Inc. and Craig J. Seligman (Respondents)

Case Number: 99-00407

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Douglas Fowlie Gill ("Claimant") was not represented by counsel.

Respondent, M. H. Meyerson & Co., Inc. ("Meyerson"): Allen M. Eisenberg, Esq., Heller & Horowitz & Fiet, P.C., New York, New York.

Respondent, Craig Seligman ("Seligman"): Robert J. Poulson, Jr., Esq., Law Offices of Robert J. Poulson, Jr., Cooperstown, New York.

CASE INFORMATION

Statement of Claim filed on or about: January 22, 1999.

Claimant filed an additional submission on or about: July 2, 1999 and August 21, 1999.

Claimant signed the Uniform Submission Agreement: January 15, 1999.

Statement of Answer and Crossclaim filed by Respondent Meyerson on or about: July 2, 1999.

Respondent Meyerson an filed additional submission on or about: July 22, 1999.

Respondent Meyerson signed the Uniform Submission Agreement: June 30, 1999.

Statement of Answer and Answer to Crossclaim filed by Respondent Seligman on or about: June 30, 1999 and July 21, 1999, respectively.

Respondent Seligman signed the Uniform Submission Agreement: July 16, 1999.

CASE SUMMARY

Claimant asserted the following causes of action: misrepresentation and breach of a promissory note and subscription agreement executed in connection with a bridge finance before the initial public offering of Damach, Inc.

Unless specifically admitted in its Answer, Respondent Meyerson denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant fails to state claim upon which relief may be granted; any actions taken by Respondent Meyerson with respect to the matters alleged in the Statement of Claim were taken by Respondent Meyerson in good faith and in the exercise of reasonable care and diligence; any actions taken by Respondent Seligman, were taken without the knowledge, consent or authorization of Respondent Meyerson and against its established policies; injury or loss, if any, to Claimant was caused

by activities or failures to act of persons other than Respondent Meyerson and was not caused by Respondent Meyerson's activities or failure to act.

Unless specifically admitted in its Answer, Respondent Seligman denied the allegations made in the Statement of Claim and Respondent Meyerson's Statement of Answer and Crossclaim and asserted the following defenses: Respondent Meyerson was well aware that all of Respondent Seligman activities were done with Respondent Meyerson's knowledge, consent and authorization.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$50,000.00
Interest	10% from February 11, 1997

Respondent Meyerson requested:

1. Denial of Claimant's claim as against Respondent Meyerson and dismissal of this arbitration with prejudice;
2. Assessment all costs of this arbitration against parties other than Respondent Meyerson; or,
3. In the alternative, if any award is granted to Claimant against Respondent Meyerson, an award to Respondent Meyerson against Respondent Seligman for the full amounts of the award to Claimant together with Respondent Meyerson's costs and expenses, including reasonable attorney's fees.

Respondent Seligman requested dismissal of the Crossclaim an award of attorney's fees incurred in defending the Crossclaim.

OTHER ISSUES CONSIDERED AND 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.

AWARD

After considering the pleadings, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. On June 6, 2000, the parties reported that they had settled this matter. Their settlement agreement is incorporated by reference, as follows:
2. The parties, without admitting liability or any wrongdoing, have agreed to settle this case which arises out of a promissory note (the "Note") made by Damach, Inc. (Damach), payable to the Claimant, and personally guaranteed by one David Squilante ("Squilante"). Claimant alleged that Respondents are liable on account of misrepresentations made in

connection with the sale of Note. Respondents denied making any misrepresentations and Respondent Meyerson asserted a Crossclaim against Respondent Seligman.

3. Claimant has settled the case in full with Respondent Meyerson and has withdrawn his claim with prejudice against Respondent Meyerson.

4. Claimant has settled the case against Respondent Seligman on the following terms: Seligman will cause Damach and/or Squilante to pay to Claimant the sum of \$50,000.00 as follows: the sum of \$10,000.00 immediately and the balance to be paid in six monthly installments in the amount of \$6,666.00 commencing on July 5, 2000 and continuing to December 5, 2000. Claimant has agreed to accept those payments in full settlement of his claim against Respondent Seligman.

5. Respondent Meyerson has withdrawn its Crossclaim against Respondent Seligman.

6. The parties are to pay their own costs and expenses of this arbitration.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. (the "NASD") will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$150.00
Cross Claim filing fee	= \$500.00

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 at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Adjournment Fees

Adjournment requested during these proceedings:

April 11, 2000, adjournment by Respondent, Craig Seligman = \$500.00

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:

One (1) Pre-hearing session with Panel x \$500.00	= \$500.00
Pre-hearing conference: December 15, 1999	1 session
Total Forum Fees	= \$500.00

The Panel has assessed \$166.66 of the forum fees to Claimant, Douglas Fowlie Gill.
The Panel has assessed \$166.67 of the forum fees to Respondent, M.H. Meyerson & Co., Inc.

The Panel has assessed \$166.67 of the forum fees to Respondent, Craig Seligman.

Pursuant to Rule 10332(f) and 10205(f) of the Code, the NASD will retain the hearing session deposit when a matter is settled or withdrawn within eight business days of the first scheduled hearing. These fees are as follows:

The NASD will retain as forum fees \$333.34 from Claimant, Douglas Fowlie Gill.
The NASD will retain as forum fees \$433.33 from Respondent, M. H Meyerson & Co., Inc.

Fee Summary

Claimant, Douglas Fowlie Gill, be and hereby is solely liable for:

Initial Filing Fee	= \$150.00
Forum Fees	= \$500.00
Total Fees	= \$650.00
<u>Less payments</u>	<u>= \$650.00</u>
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondent, M. H. Meyerson & Co., Inc., be and hereby is solely liable for:

Cross Claim Filing Fee	= \$ 500.00
Member Fees	= \$3,100.00
Forum Fees	= \$ 600.00
Total Fees	= \$4,200.00
<u>Less payments</u>	<u>= \$2,700.00</u>
Balance Due NASD Regulation, Inc.	= \$1,500.00

Respondent, Craig Seligman, be and hereby is solely liable for:

Adjournment Fee	= \$ 500.00
Forum Fees	= \$ 166.67
Total Fees	= \$ 666.67
<u>Less payments</u>	<u>= \$ 500.00</u>
Balance Due NASD Regulation, Inc.	= \$ 166.67

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

John A. Kirincich
Public Arbitrator, Presiding Chair

Signature Date

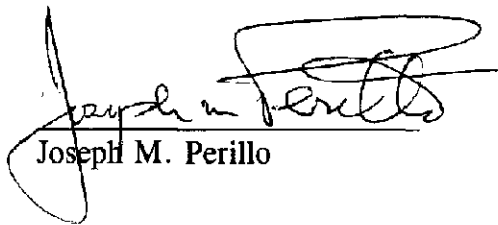
I, John Kirincich, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

John A. Kirincich

Joseph M. Perillo
Public Arbitrator

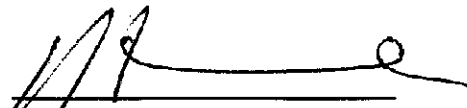
6/21/2000
Signature Date

I, Joseph M. Perillo, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Joseph M. Perillo

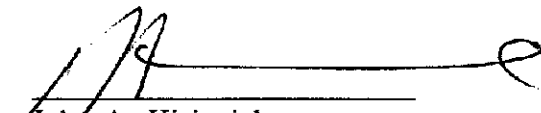
Concurring Arbitrators' Signatures



John A. Kirincich
Public Arbitrator, Presiding Chair

6/21/00
Signature Date

I, John Kirincich, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



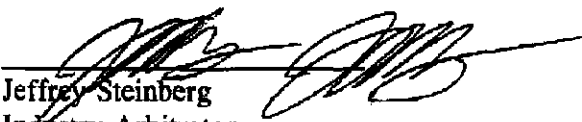
John A. Kirincich

Joseph M. Perillo
Public Arbitrator

Signature Date

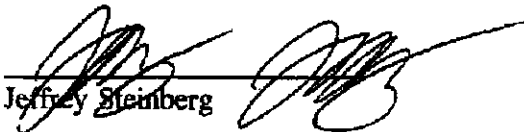
I, Joseph M. Perillo, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Joseph M. Perillo


Jeffrey Steinberg
Industry Arbitrator

6-22-2000
Signature Date

I, Jeffrey Steinberg, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Jeffrey Steinberg

July 6, 2000
Date of Service (For NASD office use only)