

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Douglas Giambrone, Connie Giambrone, and Marcon Erectors, Inc., (Claimants) vs. Advantage Capital Corporation, Gregory H. Merkle, James Reynolds, and John Bonora, (Respondents)

Case Number: 99-01040

Hearing Site: Buffalo, New York

REPRESENTATION OF PARTIES

Claimants, Douglas Giambrone ("D. Giambrone"), Connie Giambrone ("C. Giambrone"), and Marcon Erectors, Inc. ("Marcon"), hereinafter collectively referred to as "Claimants": Patrick G. Finegan, Jr., Esq., Attorney At Law, Washington, DC.

Respondents, Advantage Capital Corporation ("Advantage"), Gregory Merkle ("Merkle"), James Reynolds ("Reynolds"), and John Bonora ("Bonora"), hereinafter collectively referred to as "Respondents": Robert J. Lane, Jr., Esq., Hodgson, Russ, Andrews, Woods & Goodyear, LLP, Buffalo, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 6, 1999.

Amended Statement of Claim filed on or about: August 10, 1999.

Response to Motion to Dismiss filed by Claimants on or about: October 7, 1999.

D. Giambrone signed the Uniform Submission Agreement: March 1, 1999.

C. Giambrone signed the Uniform Submission Agreement: March 1, 1999.

Marcon signed the Uniform Submission Agreement: March 1, 1999.

Statement of Answer filed by Advantage and Merkle on or about: May 5, 1999.

Motion to Dismiss and Statement of Answer to Amended Statement of Claim filed by Respondents on or about: September 15, 1999.

Advantage signed the Uniform Submission Agreement: April 13, 1999.

Merkle signed the Uniform Submission Agreement: May 13, 1999.

Reynolds did not sign a Uniform Submission Agreement.

Bonora signed the Uniform Submission Agreement: March 1, 2000.

CASE SUMMARY

Claimants asserted the following causes of action: negligence; common law fraud; breach of fiduciary duty; breach of contract; and RICO violations. Claimants' claim involved the stock of National Auto Credit Incorporated.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants failed to mitigate their damages; Claimants' losses, if any, were due solely to Claimants' decision making, and were not due to any conduct of Respondents; Respondents are not liable for any losses suffered in securities accounts outside of Advantage; Respondents have no control over, nor connection with, Claimants' investments outside of Advantage and Advantage cannot supervise transactions conducted at other brokerage firms; Claimants acknowledge that they were attempting to reap short-term, speculative trading products, and such conduct amounts to assumption of the risk and comparative negligence; loss of opportunity damages are not recoverable in this arbitration under the facts at issue here; the claims in the Statement of Claim are barred by the doctrines of ratification, waiver, estoppel, laches, and unclean hands; the Racketeering and Corrupt Organizations Act has been amended to provide that allegations of securities fraud cannot be the subject of a RICO claim; and punitive damages are not recoverable in this arbitration.

RELIEF REQUESTED

Claimants requested combined actual and loss of opportunity damages in the amount of \$1,100,000.00; RICO damages in the amount of \$3,300,000.00; punitive damages in the amount of \$3,300,000.00; the costs of counsel; and such other relief as may be appropriate in the opinion of the Panel.

Respondents requested that the Statement of Claim be dismissed and that Claimants be directed to pay Respondents' attorneys' fees and the costs and expenses of this arbitration.

OTHER ISSUES CONSIDERED AND DECIDED

Reynolds did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and, having answered the claim, appeared and testified at the hearing, is 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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are hereby dismissed in their entirety.
2. The parties shall each bear their own costs and legal fees, jointly and severally.
3. All other requests for relief are hereby 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	= \$ 300.00
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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, Advantage Capital Corporation is a party.

Member surcharge	= \$ 3,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 5,000.00

Adjournment Fees

Adjournments requested during these proceedings:

June 13, 14, 15 & 16, 2000, adjournment by Respondents	= \$ 1,500.00
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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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,500.00 = \$ 1,500.00

Pre-hearing conference: March 30, 2000 1 session

Ten (10) Hearing sessions x \$1,500.00 = \$15,000.00

Hearing Dates: September 18, 2000 2 sessions
September 19, 2000 2 sessions
September 20, 2000 2 sessions
January 17, 2001 2 sessions
January 18, 2001 2 sessions

Total Forum Fees = \$16,500.00

1. The Panel has assessed \$8,250.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$8,250.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$8,250.00</u>
Total Fees	= \$8,550.00
<u>Less payments</u>	<u>= \$2,500.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$6,050.00

2. Advantage be and hereby is solely liable for:

<u>Member Fees</u>	<u>= \$8,600.00</u>
Total Fees	= \$8,600.00
<u>Less payments</u>	<u>= \$3,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$5,000.00

3. Respondents be and hereby are jointly and severally liable for:

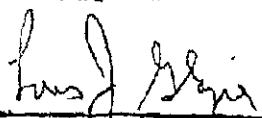
Adjournment Fee	= \$1,500.00
Forum Fees	= \$8,250.00
Total Fees	= \$9,750.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$9,750.00

All balances are due and payable to NASD Dispute Resolution, Inc.

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Consenting Arbitrators' Signatures

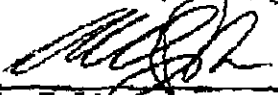
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Louis J. Glazier, Esq.
Public Arbitrator, Presiding Chair

3/2/01

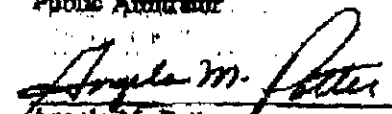
Signature Date



Allan E. Johnson
Public Arbitrator

03/02/01

Signature Date



Angela M. Potter
Industry Arbitrator

03/01/2001

Signature Date

March 6, 2001

Date of Service (For NASD office use only)