

AWARD
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Leslie A. and Howard L. Farkas

and

99-01435
Denver, Colorado

Name of Respondents

Joseph Stevens & Company, Inc.
Harry S. Datys
Joseph Sorbara

REPRESENTATION OF PARTIES

Leslie A. and Howard L. Farkas ("Claimants") were represented by John F. Head, Esq., Denver, Colorado.

Joseph Stevens & Company, Inc. ("Respondent Joseph Stevens"), Harry S. Datys ("Respondent Datys") and Joseph Sorbara ("Respondent Sorbara") collectively as ("Respondents") were represented by William M. Moran, Esq., McCarter & English, LLP, New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about March 25, 1999. Claimants' response to respondent Sorbara's Motion to Dismiss was filed on or about August 4, 1999. Claimants' Supplement to Their Response to respondent Sorbara's Motion to Dismiss was filed on or about January 7, 2000. Submission Agreement of Claimants Leslie A. and Howard L. Farkas was signed on March 12, 1999.

Consolidated Statement of Answer and Motion to Dismiss was filed by Respondents Joseph Stevens & Company, Inc., Harry S. Datys and Joseph Sorbara on or about July 12, 1999. Respondents' Reply was filed on or about August 20, 1999.

CASE SUMMARY

Claimants alleged that Respondents were responsible for material misrepresentation and omissions of material facts in connection with their purchases of DataTrend Services, Inc. and The Producers Entertainment Group, Inc. Claimants specifically alleged that during the time that their accounts

were open at Respondent Joseph Stevens. Howard Farkas had numerous telephone conversations with Respondent Datys. It was alleged that during the telephone calls, Respondent Datys informed Claimants that Respondent Sorbara was directly involved in pricing of sell orders and that certain sales directed by Claimants required the approval of Respondent Sorbara.

Respondents denied the allegations set forth in the Statement of Claim. With respect to the Claimants' purchase of Datatrend, Respondents specifically stated that Claimants received information directly from the President and Chief Executive officer of Datatrend, with whom they often communicated concerning their direct financing for Datatrend.

RELIEF REQUESTED

Claimants requested an award in their favor and against Respondents, jointly and severally, in the following amounts:

1. Leslie A. Farkas in the principal sum of \$366,922.79;
2. Howard L. Farkas in the principal sum of \$69,494.60;
3. Joint account in the principal sum of \$55,908.29;
4. Expenses of arbitration, reasonable attorneys fees, punitive damages, plus interest at the statutory rate compounded annually; and
5. Such other relief as the Arbitrators deem appropriate.

Respondents Joseph Stevens & Company, Inc., Harry S. Datys and Joseph Sorbara demand an award (i) dismissing the Statement of Claim, (ii) expunging this matter from their CRD, and (iii) such other and further relief as is just and proper.

OTHER ISSUES CONSIDERED & DECIDED

Respondents Joseph Stevens & Company, Inc., Harry S. Datys and Joseph Sorbara did not file with the NASD Regulation, Inc. Office of Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of 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 arbitration panel on all issues submitted.

By letter dated February 1, 2000, the parties were advised that the Motion to Dismiss filed on behalf of Respondent Sorbara is denied.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Regulation, Inc. Office of Dispute Resolution (the "NASD").

Forum Fees and Assessments

The Arbitration 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:

Three (3) Pre-hearing session(s) with Panel x \$1,125.00	= \$ 3,375.00
Pre-hearing conference(s):	
December 10, 1999	1 session
January 31, 2000	1 session
April 14, 2000	1 session

Six (6) Hearing sessions x \$1,125.00	= \$ 6,750.00
Hearing Date(s):	
April 17, 2000	2 sessions
April 18, 2000	2 sessions
April 19, 2000	2 sessions

Total Forum Fees = \$10,125.00

The Arbitration Panel has assessed \$5,062.50 of the forum fees to Leslie A. and Howard L. Farkas.
The Arbitration Panel has assessed \$5,062.50 of the forum fees to Joseph Stevens & Company, Inc.

Fee Summary

Claimant, Leslie A. and Howard L. Farkas, shall be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$5,062.50
Total Fees	= \$5,362.50
<u>Less payments</u>	= \$1,575.00
Balance Due NASD Regulation, Inc.	= \$3,787.50

Respondent, Joseph Stevens & Company, Inc., shall be and hereby is liable for:

Member Fees	= \$4,600.00
Adjournment Fee	= \$ 0.00
<u>Forum Fees</u>	= \$5,062.50
Total Fees	= \$9,662.50
<u>Less payments</u>	= \$3,125.00
Balance Due NASD Regulation, Inc.	= \$6,537.50

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted in this matter shall be and hereby are denied in their entirety.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$300.00

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(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is Joseph Stevens & Company, Inc.

Member surcharge = \$1,500.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$2,500.00

Adjournment Fees

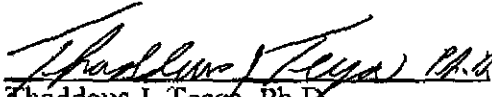
Adjournments requested during these proceedings:

April 17, 2000, April 18, 2000 and April 19, 2000, adjournment requested by Respondents. Request denied.

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All balances are due to NASD Regulation, Inc.

Dated:


Thaddeus J. Tecza, Ph.D.
Public Arbitrator, Presiding Chair

April 29, 2000

Carol J. Zamperini
Public Arbitrator

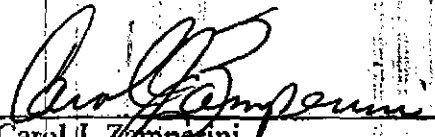
Forrest D. Smith
Industry Arbitrator

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4-20-00


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Public Arbitrator, Presiding Chair

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Forrest D. Smith
Industry Arbitrator

4/20/2000