

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Richard Dawson

Case No. 99-02347

Names of Respondents

Foster Jeffries Securities, LLC
Brian Christopher Burke
Thomas Salvatore Marinovich, Jr.
Justin James Fiore
Steven Lee Karno
George Michael Greco, Jr.
Michael S. Weiner
Kevin Charles Held
Thomas M. Allegra
George Michael Greco, Sr.
Edward Richard O'Brien
UCH, Inc.
Thomas Maiorana
Harvey J. Latzen

REPRESENTATION OF PARTIES

For Richard Dawson ("Dawson"), hereinafter referred to as "Claimant": Donald M. Brown, Jr., Esq. and Harold H. Martin, Esq. of Brown & Associates, LLP, Charlotte, North Carolina.

Foster Jeffries Securities, LLC ("Foster Jeffries") did not appear.

For Brian Christopher Burke ("Burke"): Michael H. Ference, Esq. of Sichenzia, Ross & Friedman, LLP, New York, New York. On February 4, 2000, Michael H. Ference, Esq. withdrew as counsel for Respondent Burke. Thereafter, Respondent Burke appeared pro se.

Thomas Salvatore Marinovich, Jr. ("Marinovich") did not appear.

For Justin James Fiore ("Fiore"): Michael H. Ference, Esq. of Sichenzia, Ross & Friedman, LLP, New York, New York.

Steven Lee Karno ("Karno") appeared pro se.

George Michael Greco, Jr. ("Greco Jr.") appeared pro se.

For Michael S. Weiner ("Weiner"): Scott A. Zucker, Esq., Lake Success, New York.

For Kevin Charles Held ("Held"): Yuval H. Marcus, Esq., Anderson & Rottenberg, P.C., New York, New York.

Thomas M. Allegra ("Allegra") appeared pro se.

George Michael Greco, Sr. ("Greco Sr.") appeared pro se.

Edward Richard O'Brien ("O'Brien") appeared pro se.

UCH, Inc. ("UCH") did not appear.

Thomas Maiorana ("Maiorana") appeared pro se.

Harvey J. Latzen ("Latzen") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: May 21, 1999.

Claimant signed the Uniform Submission Agreement on: May 20, 1999.

Respondent Foster Jeffries did not file a Statement of Answer or executed Uniform Submission Agreement.

Statement of Answer filed by Respondent Burke on or about: November 1, 1999.

Respondent Burke did not file an executed Uniform Submission Agreement.

Respondent Marinovich did not file a Statement of Answer or executed Uniform Submission Agreement.

Statement of Answer filed by Respondent Fiore on or about: November 1, 1999.

Respondent Fiore signed the Uniform Submission Agreement on: September 9, 1999.

Statement of Answer filed by Respondent Karno on or about: November 19, 1999.

Respondent Karno signed the Uniform Submission Agreement on: November 15, 1999.

Statement of Answer filed by Respondent Greco Jr. on or about: September 21, 1999.

Respondent Greco Jr. signed the Uniform Submission Agreement on: October 4, 1999.

Statement of Answer filed by Respondent Weiner on or about: October 13, 1999.

Respondent Weiner signed the Uniform Submission Agreement on: September 14, 1999.

Statement of Answer filed by Respondent Held on or about: October 7, 1999.

Respondent Held signed the Uniform Submission Agreement on: October 4, 1999.

Statement of Answer filed by Respondent Allegra on or about: October 4, 1999.

Respondent Allegra signed the Uniform Submission Agreement on: September 28, 1999.

Statement of Answer filed by Respondent Greco Sr. on or about: October 25, 1999.

Respondent Greco Sr. signed the Uniform Submission Agreement on: October 7, 1999.

Statement of Answer filed by Respondent O'Brien on or about: September 17, 1999.

Respondent O'Brien signed the Uniform Submission Agreement on: September 13, 1999.

Respondent UCH did not file a Statement of Answer or executed Uniform Submission Agreement.

Statement of Answer filed by Respondent Maiorana on or about: October 11, 1999.
Respondent Maiorana signed the Uniform Submission Agreement on: October 7, 1999.
Statement of Answer filed by Respondent Latzen on or about: September 13, 1999.
Respondent Latzen signed the Uniform Submission Agreement on: August 18, 1999.

CASE SUMMARY

Claimant asserted the following causes of action: 1) negligence; 2) breach of fiduciary duty; 3) violations of the North Carolina Securities Act; and 4) violations of 15 U.S.C. Section 78(j)(b) and Rule 10b-5 promulgated thereunder. The causes of action relate to the failure to sell shares of stock in American Health Choice.

Unless specifically admitted in their Answer, Respondents Burke and Fiore 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 failed to plead his claims with sufficiency; 3) Claimant failed to timely object to the transactions at issue; 4) Claimant's losses, if any, were caused by market conditions; 5) Claimant is barred from recovery by the doctrine of ratification; 6) Respondents Burke and Fiore never made a misrepresentation to Claimant; 7) Claimant's losses, if any, were caused by Claimant's fault or conduct; 8) Claimant's damages are speculative, remote and unsupported by competent evidence; 9) Claimant is barred from recovery by the doctrine of laches; 10) Claimant assumed the risks of his investments; 11) Claimant failed to mitigate his damages; 12) Claimant is barred from recovery by the doctrines of waiver, ratification and estoppel; 13) Claimant has committed fraud in this arbitration; 14) Respondents Burke and Fiore acted properly and in good faith; and 15) Claimant failed to state a claim under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Unless specifically admitted in his Answer, Respondent Karno denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Respondent Karno had no knowledge of misconduct; 2) Respondent Karno never communicated with Claimant; 3) Respondent Karno was not Claimant's broker; and 4) Respondent Karno was not a supervisor.

Unless specifically admitted in his Answer, Respondent Greco Jr. denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Respondent Greco Jr. had no knowledge of misconduct; 2) Respondent Greco Jr. never communicated with Claimant; 3) Respondent Greco Jr. was not Claimant's broker; 4) Respondent Greco Jr. was not a supervisor of Respondents Marinovich and Burke; 5) Respondent Greco Jr. is not a proper party; 6) Claimant's losses, if any, were caused by persons, conditions or events beyond the control of Respondent Greco Jr.; and 7) Claimant failed to state a claim upon which relief may be granted.

Unless specifically admitted in his Answer, Respondent Weiner 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 is a sophisticated and active investor;

3) Claimant ratified the transactions at issue; 4) Claimant assumed the risks of his investments; 5) Claimant's losses, if any, were caused by Claimant's actions; 6) Claimant waived his right to state a claim; 7) Claimant's losses, if any, were caused by persons, entities or market conditions beyond the control of Respondent Weiner; 8) Claimant failed to mitigate his damages; 9) Claimant is a knowledgeable investor; 10) Claimant's claim for attorneys' fees is prohibited; 11) Claimant's claim for punitive damages is prohibited; and 12) Claimant failed to plead with particularity specific facts underlying the elements for a claim of fraud.

Unless specifically admitted in his Answer, Respondent Held 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 is a sophisticated and active investor; 3) Claimant ratified the transactions at issue; 4) Claimant assumed the risks of his investments; 5) Claimant's losses, if any, were caused by Claimant's actions; 6) Claimant waived his right to state a claim; 7) Claimant's losses, if any, were caused by persons, entities or market conditions beyond the control of Respondent Held; 8) Claimant failed to mitigate his damages; 9) Claimant is an active and knowledgeable investor; 10) Claimant's claim for attorneys' fees is prohibited; 11) Claimant's claim for punitive damages is prohibited; and 12) Claimant failed to plead with particularity specific facts underlying the elements for a claim of fraud.

Unless specifically admitted in his Answer, Respondent Allegra denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Respondent Allegra was not a control person, director, general partner, or officer of Respondent Foster Jeffries; 2) Respondent Allegra did not manage Respondent Foster Jeffries; and 3) Respondent Allegra did not have the ability to hire or terminate employees.

Unless specifically admitted in his Answer, Respondent Greco Sr. denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Respondent Greco Sr. had no knowledge of misconduct; 2) Respondent Greco Sr. never communicated with Claimant; 3) Respondent Greco Sr. was not Claimant's broker; 4) Respondent Greco Sr. was not a supervisor of Respondents Marinovich and Burke; 5) Respondent Greco Sr. is not a proper party; 6) Claimant's losses, if any, were caused by persons, conditions or events beyond the control of Respondent Greco Sr.; and 7) Claimant failed to state a claim upon which relief may be granted.

Unless specifically admitted in his Answer, Respondent O'Brien denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Respondent O'Brien did not create, implement, monitor, or approve the policies of Respondent Foster Jeffries; 2) Respondent O'Brien was not a control person; and 3) Respondent O'Brien complied with NASD rules and regulations.

Unless specifically admitted in his Answer, Respondent Maiorana denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Respondent Maiorana was not an owner or control person; 2) Respondent Maiorana did not have the ability to hire

or terminate anyone; and 3) Respondent Maiorana complied with the NASD rules and regulations relating to commission guidelines.

Unless specifically admitted in his Answer, Respondent Latzen denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Respondent Latzen was not an owner or control person of Respondent Foster Jeffries; 2) Respondent Latzen did not have the ability to hire or terminate anyone; 3) Respondent Latzen did not create the policies of Respondent Foster Jeffries; 4) Claimant failed to state a claim upon which relief may be granted; and 5) Respondent Latzen had no contact with Claimant.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$35,312.50; 2) punitive damages; 3) attorneys' fees; 4) costs; and 5) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents Burke and Fiore requested: 1) dismissal of the Statement of Claim; 2) assessment of costs and forum fees to Claimant; and 3) attorneys' fees.

Respondent Weiner requested: 1) dismissal of the Statement of Claim; 2) costs; 3) attorneys' fees; and 4) such other relief the Panel deemed just and proper.

Respondent Held requested: 1) dismissal of the Statement of Claim; 2) costs; 3) attorneys' fees; and 4) such other relief the Panel deemed just and proper.

Respondent Allegra requested: 1) dismissal of the Statement of Claim; and 2) expungement of all references to the above-captioned arbitration from Respondent Allegra's registration records maintained by the NASD Central Registration Depository ("CRD").

Respondents Karno, Greco Jr., Greco Sr., O'Brien, Maiorana, and Latzen requested dismissal of the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Foster Jeffries and Marinovich did not appear in this matter. Upon review of the file and the representations made by/on behalf of the Claimant, the Panel determined that Respondent Foster Jeffries and Marinovich have been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD-DR Code of Arbitration Procedure (the "Code").

Respondents Burke and Karno 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 Panel determined that Respondents Burke and Karno 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 said Respondents present, in accordance with the Code.

Respondent UCH did not appear in this matter. Upon review of the file and the representations made by/on behalf of the Claimant, the Panel determined that Respondent UCH had not been served with the Statement of Claim and did not receive due notice of the hearing. Therefore, the Panel dismissed without prejudice all claims against Respondent UCH. As such, the Panel made no determination on the merits of the claims asserted against Respondent UCH.

Respondent Foster Jeffries and Marinovich 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 are bound by the determination of the Panel on all issues submitted.

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

On October 15, 1999, Claimant dismissed, with prejudice, all claims against Respondents Allegra and Latzen.

On March 29, 2000, Claimant dismissed, with prejudice, all claims against Respondent Weiner.

On May 22, 2000, Claimant dismissed, with prejudice, all claims against Respondent Held.

On or about November 14, 2000, Claimant and Respondent Fiore entered into a settlement agreement. As such, the Panel made no determination with respect to the claims asserted against Respondent Fiore.

At the evidentiary hearing, Claimant dismissed, with prejudice, all claims against Respondents O'Brien and Maiorana.

Claimant announced at the evidentiary hearing that he had previously reached a resolution with Respondents Greco Sr. and Greco Jr., and thus was not proceeding forward as the case related to Respondents Greco Sr. and Greco Jr.

The parties present at the evidentiary hearing 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:

1. Respondents Foster Jeffries, Burke, Karno, and Marinovich are liable, jointly and severally, and shall pay to Claimant compensatory damages in the amount of \$10,713.00, plus pre-judgment interest in the amount of \$9,887.00. Post-judgment interest shall begin to accrue as of November 16, 2000, and shall continue to accrue until the Award is paid in full. Post-judgment interest shall be determined by the statutory rate under North Carolina law or by the prime rate as adjusted and published from time to time in the Wall Street Journal newspaper, whichever rate is greater on November 16, 2000.
2. Respondents Foster Jeffries, Burke, Karno, and Marinovich are liable, jointly and severally, and shall pay to Claimant the sum of \$225.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution, Inc.
3. Claimant's request for punitive damages is denied.
4. Claimant's request for attorneys' fees is denied. Claimant failed to sustain his burden of proof with respect to his entitlement to attorneys' fees under North Carolina law.
5. 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	= \$225.00
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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:

There were no adjournments requested during these proceedings.

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 \$750.00 = \$1,500.00

Pre-hearing conferences: May 8, 2000 1 session
October 10, 2000 1 session

Three (3) Hearing sessions x \$750.00 = \$2,250.00

Hearing Dates: November 15, 2000 2 sessions
November 16, 2000 1 session

Total Forum Fees = \$3,750.00

The Panel has assessed the total forum fees of \$3,750.00 jointly and severally to Respondents Foster Jeffries, Burke, Karno, and Marinovich.

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	= \$225.00	
Total Fees	= \$225.00	
<u>Less payments</u>	<u>= \$225.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$0.00

Respondents Foster Jeffries, Burke, Karno, and Marinovich be and hereby are jointly and severally liable for:

Forum Fees	= \$3,750.00	
Total Fees	= \$3,750.00	
<u>Less payments</u>	<u>= \$ 0.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$3,750.00

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/
Ira M. Starr
Public Arbitrator, Presiding Chair

Signature Date

/s/
Stanley H. Ragle, Esq.
Public Arbitrator

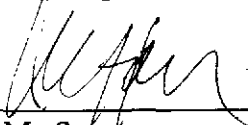
Signature Date

/s/
Frances E. Hubbell
Industry Arbitrator

Signature Date

December 15, 2000
Date of Service (For NASD-DR office use only)

Concurring Arbitrators' Signatures



Ira M. Starr
Public Arbitrator, Presiding Chair

12/7/00

Signature Date

Stanley H. Ragle, Esq.
Public Arbitrator

Signature Date

Frances E. Hubbell
Industry Arbitrator

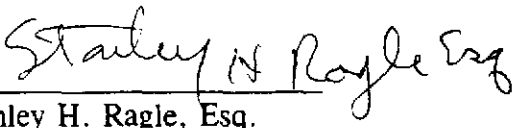
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Date of Service (For NASD-DR office use only)

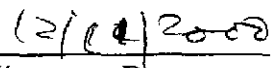
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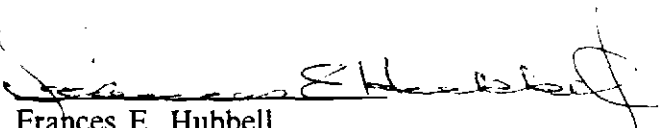
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Public Arbitrator, Presiding Chair

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Stanley H. Ragle, Esq.
Public Arbitrator

Signature Date



Frances E. Hubbell
Industry Arbitrator

12/11/00

Signature Date

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