

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Donald Brown, Walter Brown, Lissa Brown, and Thelma Brown, (Claimants) vs. Foster Jeffries Securities, LLC, Douglas Leone, Kevin Held, George Michael Greco, Paul J. Greco, UCH, Inc., Sean McManus, Thomas Maiorana, Steven Lee Karno, Hampton & Harbor, LLC, Robert Thomas, Edward O'Brien, Michael Weiner, and Yaacov Jake Ariel, (Respondents)

Case Number: 99-03247

Hearing Site: Boston, Massachusetts

REPRESENTATION OF PARTIES

Claimants, Donald Brown ("D. Brown"), Walter Brown ("W. Brown"), Lissa Brown ("L. Brown"), and Thelma Brown ("T. Brown"), hereinafter collectively referred to as "Claimants": Melanie S. Pearce, Esq. and Matthew J. Tuttle, Esq., Perkins, Smith & Cohen, LLP, Boston, MA.

Respondent, Foster Jeffries Securities, LLC ("Foster"), did not make an appearance in this matter.

Respondent, Douglas Leone ("Leone"), did not appear at the hearing in this matter. Previously represented by: Jason M. Ewasko, Esq., MPR Law Practice, P.C., New York, NY.

Respondent, Kevin Held ("Held"), did not appear at the hearing in this matter.

Respondent, George Michael Greco ("G. Greco"), did not appear at the hearing in this matter.

Respondent, Paul Greco ("P. Greco"), did not appear at the hearing in this matter.

Respondent, UCH, Inc. ("UCH"), did not make an appearance in this matter.

Respondent, Sean McManus ("McManus"), did not make an appearance in this matter.

Respondent, Thomas Maiorana ("Maiorana"), did not appear at the hearing in this matter.

Respondent, Steven Lee Karno ("Karno"), did not appear at the hearing in this matter.

Respondent, Hampton & Harbor, LLC ("Hampton"), did not make an appearance in this matter.

Respondent, Robert Thomas ("Thomas"), did not make an appearance in this matter.

Respondent, Edward O'Brien ("O'Brien"), did not appear at the hearing in this matter.

Respondent, Michael Weiner ("Weiner"), did not appear at the hearing in this matter.
Previously represented by: Scott M. Zucker, Esq., a sole practitioner, Lake Success, NY.

Respondent, Yaacov Jake Ariel ("Ariel"), did not make an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: July 15, 1999.

Amended Statement of Claim filed on or about: June 27, 2000.

D. Brown signed the Uniform Submission Agreement: June 15, 2000.

W. Brown signed the Uniform Submission Agreement: June 15, 2000.

L. Brown signed the Uniform Submission Agreement: June 15, 2000.

T. Brown signed the Uniform Submission Agreement: June 15, 2000.

Foster did not file a Statement of Answer or sign a Uniform Submission Agreement.

Statement of Answer filed by Leone on or about: November 23, 1999.

Leone signed the Uniform Submission Agreement.

Statement of Answer and Motion to Dismiss filed by Held on or about: January 6, 2000.

Held signed the Uniform Submission Agreement: January 6, 2000.

Statement of Answer and Motion to Dismiss filed by G. Greco on or about: November 9, 1999.

G. Greco signed the Uniform Submission Agreement: November 9, 1999.

Statement of Answer and Motion to Dismiss filed by P. Greco on or about: July 5, 2000.

P. Greco did not sign a Uniform Submission Agreement.

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

McManus did not file a Statement of Answer or sign a Uniform Submission Agreement.

Statement of Answer filed by Maiorana on or about: May 14, 2000.

Maiorana did not sign a Uniform Submission Agreement.

Statement of Answer and Motion to Dismiss filed by Karno on or about: November 15, 1999.

Karno signed the Uniform Submission Agreement.

Hampton did not file a Statement of Answer or sign a Uniform Submission Agreement.

Thomas did not file a Statement of Answer or sign a Uniform Submission Agreement.

Statement of Answer filed by O'Brien on or about: November 22, 1999.

O'Brien signed the Uniform Submission Agreement.

Statement of Answer and Motion to Dismiss filed by Weiner on or about: December 1, 1999.

Weiner signed the Uniform Submission Agreement: November 24, 1999.

Ariel did not file a Statement of Answer or sign a Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: violations of federal securities laws; violations of state anti-fraud securities laws; violation of Massachusetts Consumer Protection Act; misrepresentations; common law fraud and deceit; breach of contract and the covenant of good faith and fair dealing; failure to supervise; aiding and abetting; control person liability; breach of fiduciary duty; high pressure sales tactics; unsuitability; stock manipulation; over-concentration; and failure to diversify. Claimants' claim involved the stocks of Multimedia Games, Inc., U.S. Automotive Manufacturing, Jenna Lane, Modern Medical Modalities Corp., and Electronics Comm Corp.

RELIEF REQUESTED

Claimants requested compensatory damages totaling \$677,417.00; market-adjusted damages in an amount to be shown at the arbitration; punitive damages; costs and attorneys' fees; and such other relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about November 2, 1999, Respondent Thomas filed for bankruptcy under Chapter 7 of the Bankruptcy Code. Accordingly, all claims against Respondent Thomas were stayed.

By letter dated January 3, 2000, Claimants informed NASD Dispute Resolution, Inc. that they were dismissing all claims against Respondent Ariel in this matter.

On or about September 26, 2000, Claimants informed NASD Dispute Resolution, Inc. that they had entered into a settlement agreement with Respondent Held.

On or about July 23, 2001, Respondent Karno filed for bankruptcy under Chapter 7 of the Bankruptcy Code. Accordingly, all claims against Respondent Karno were stayed.

By letter dated September 6, 2001, Claimants informed NASD Dispute Resolution, Inc. that they were dismissing all claims against Respondent O'Brien in this matter.

By letter dated September 7, 2001, Claimants informed NASD Dispute Resolution, Inc. that they had entered into a settlement with Respondent Leone, and that they were dismissing all claims against him with prejudice.

By letter dated September 7, 2001, Claimants informed NASD Dispute Resolution, Inc. that they had entered into a settlement with Respondent Weiner, and that they were dismissing all claims against him with prejudice.

At the beginning of the hearing in this matter, Claimants advised the Panel that they had entered into settlement agreements with Respondents G. Greco and P. Greco.

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Foster, UCH, McManus, Maiorana, and Hampton 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 Foster, UCH, McManus, Maiorana, and Hampton present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Foster, P. Greco, UCH, McManus, Maiorana, Hampton, and Thomas 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.

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. Foster, UCH, McManus, Maiorana, and Hampton be and hereby are jointly and severally liable for and shall pay to D. Brown, individually, the sum of \$284,023.05 as compensatory damages, plus simple interest at the rate of 12% accruing from July 15, 1999 until paid.
2. Foster, UCH, McManus, Maiorana, and Hampton be and hereby are jointly and severally liable for and shall pay to W. Brown, individually, the sum of \$334,785.91 as compensatory damages, plus simple interest at the rate of 12% accruing from July 15, 1999 until paid.
3. Foster, UCH, McManus, Maiorana, and Hampton be and hereby are jointly and severally liable for and shall pay to W. Brown, L. Brown, and T. Brown, jointly and severally, the sum of \$28,000.00 as compensatory damages, plus simple interest at the rate of 12% accruing from July 15, 1999 until paid.
4. Foster, UCH, McManus, Maiorana, and Hampton be and hereby are jointly and severally liable for and shall pay to D. Brown, individually, the sum of \$150,000.00 as punitive damages. The Panel awarded punitive damages based upon the case law provided in Claimants' Statement of Claim and Amended Statement of claim, namely Mastrobuono v. Shearson, Lehman Hutton, Inc., 514 U.S. 52, 64 (1995); Raytheon Co. v. Automated Business Systems, Inc., 882 F.2d 6, 9-12 (1st Cir. 1989); and Davis v. Merrill Lynch, 1990 Fed. Sec. L. Rep. (CCH) paragraph 95,311 (8th Cir. 1990).
5. Foster, UCH, McManus, Maiorana, and Hampton be and hereby are jointly and severally liable for and shall pay to W. Brown, individually, the sum of \$175,000.00 as punitive damages. The Panel awarded punitive damages based upon the case law provided in Claimants' Statement of Claim and Amended Statement of claim, namely Mastrobuono v. Shearson, Lehman Hutton, Inc., 514 U.S. 52, 64 (1995); Raytheon Co. v. Automated Business Systems, Inc., 882 F.2d 6, 9-12 (1st Cir. 1989); and Davis v. Merrill Lynch, 1990 Fed. Sec. L. Rep. (CCH) paragraph 95,311 (8th Cir. 1990).

6. Foster, UCH, McManus, Maiorana, and Hampton be and hereby are jointly and severally liable for and shall pay to Claimants, jointly and severally, the sum of \$20,000.00 as attorneys' fees. The Panel awarded attorneys' fees pursuant to Mass. Gen. Laws ch. 110A, section 410.
7. Foster, UCH, McManus, Maiorana, and Hampton be and hereby are jointly and severally liable for and shall pay to Claimants, jointly and severally, the sum of \$375.00, to reimburse Claimants for the filing fee previously paid to NASD Dispute Resolution, Inc.
8. The aforesaid sums for compensatory damages pursuant to paragraphs 1 and 2 of this award to D. Brown and W. Brown shall be reduced by any monies collected by the Claimants from the settling Respondents in equal amounts. After interest is added to the compensatory damages awarded to each Claimant, any sums recovered by the Claimants shall be deducted from the award to D. Brown and W. Brown in equal amounts.
9. 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	= \$ 375.00
--------------------------	-------------

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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$1,200.00	= \$2,400.00
Pre-hearing conferences:	
December 18, 2000	1 session
March 8, 2001	1 session
Two (2) Hearing sessions x \$1,200.00	= \$2,400.00
Hearing Date: September 10, 2001	2 sessions
Total Forum Fees	= \$4,800.00

The Panel has assessed all of the forum fees jointly and severally against Foster, UCH, McManus, Maiorana, and Hampton.

Fee Summary

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

<u>Initial Filing Fee</u>	= \$ 375.00
Total Fees	= \$ 375.00
<u>Less payments</u>	= \$1,615.00
Refund Due Claimants	= \$1,240.00

As stated in the "Award" section above, Foster, UCH, McManus, Maiorana, and Hampton be and hereby are jointly and severally liable and shall reimburse Claimants for the \$375.00 filing fee.

2. Foster, UCH, McManus, Maiorana, and Hampton be and hereby are jointly and severally liable for:


<u>Forum Fees</u>	= \$4,800.00
Total Fees	= \$4,800.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$4,800.00

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

ARBITRATION PANEL

Jeffrey P. Petrucelly, Esq.	-	Public Arbitrator, Presiding Chair
Elliott L. Epstein	-	Public Arbitrator
Robert Masiello	-	Industry Arbitrator

Concurring Arbitrators' Signatures



Jeffrey P. Petrucelly, Esq.
Public Arbitrator, Presiding Chair

10/22/01

Signature Date

Elliott L. Epstein
Public Arbitrator

Signature Date

Robert Masiello
Industry Arbitrator

Signature Date

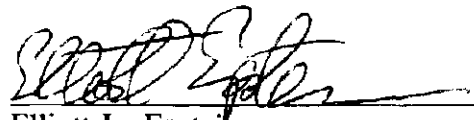
November 6, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

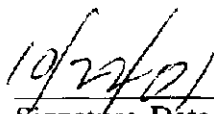
Jeffrey P. Petrucelly, Esq.	-	Public Arbitrator, Presiding Chair
Elliott L. Epstein	-	Public Arbitrator
Robert Masiello	-	Industry Arbitrator

Concurring Arbitrators' Signatures

Jeffrey P. Petrucelly, Esq.
Public Arbitrator, Presiding Chair


Elliott L. Epstein
Public Arbitrator

Signature Date


Signature Date

Robert Masiello
Industry Arbitrator

Signature Date

November 6, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

Jeffrey P. Petrucelly, Esq.	-	Public Arbitrator, Presiding Chair
Elliott L. Epstein	-	Public Arbitrator
Robert Masiello	-	Industry Arbitrator


Concurring Arbitrators' Signatures

Jeffrey P. Petrucelly, Esq.
Public Arbitrator, Presiding Chair

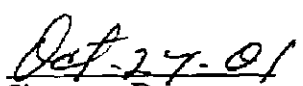
Signature Date

Elliott L. Epstein
Public Arbitrator

Signature Date



Robert Masiello
Industry Arbitrator



Signature Date

November 6, 2001
Date of Service (For NASD office use only)