

Award
NASD Dispute Resolution, Inc.

ORIGINAL

In the Matter of the Arbitration Between:

Thomas Tomanek and Angelita Tomanek, Claimants v. LCP Capital Corp. d/b/a Silver Capital Group, Rocco Roveccio and Joseph Quattrochi, Respondents

Case Number: 00-05463

Hearing Site: San Francisco, California

REPRESENTATION OF PARTIES

For Claimants:

**Thomas Tomanek
Hayward, California**

**For Respondent LCP Capital Corp.
d/b/a Silver Capital Group :**

**Charles S. Stoftens, President
LCP Capital Corp.
Old Bridge, New Jersey**

For Respondent Rocco Roveccio:

**Rocco Roveccio
Freehold, New Jersey**

For Respondent Joseph Quattrochi

**Joseph Quattrochi
Elizabeth, New Jersey**

CASE INFORMATION

Statement of Claim filed on or about: December 4, 2000

Claimants' Uniform Submission Agreement signed: December 4, 2000

Joint Statement of Answer filed by Respondents, LCP Capital Corp. d/b/a Silver Capital Group ("LCP") and Joseph Quattrochi, on or about: October 23, 2001

CASE SUMMARY

Claimants alleged the following claims with respect to investments in various securities: 1) Unauthorized Trading; 2) Suitability; 3) Manipulation, Breach of Fiduciary Duty; 4) Lack of Supervision; and 5) Churning.

Respondents LCP and Quattrochi denied Claimants' allegations of wrongdoing and denied any liability to Claimants. Respondents LCP and Quattrochi also asserted affirmative defenses.

RELIEF REQUESTED

Claimants requested damages in the amount of \$216,275 plus interest thereon at 8% per annum from the date of their cash deposits; an award of their costs; and an award of punitive damages.

Respondents LCP and Quattrochi requested that the Panel dismiss the Statement of Claim with prejudice in its entirety, and requested such other and further relief as the Panel deems just and appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Roveccio did not file with NASD Dispute Resolution, Inc. ("NASD-DR") a Statement of Answer or properly executed submission to arbitration. The Panel determined that Respondent Roveccio was properly served with Claimants' Statement of Claim and further determined that Mr. Roveccio is required to submit to arbitration pursuant to the NASD-DR Code of Arbitration Procedure ("the Code") and is bound by the determination of the Panel on all issues submitted.

Respondents LCP and Quattrochi did not file with the NASD-DR properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and having answered the claim, are bound by the determination of the Panel on all issues submitted.

Respondents LCP, Roveccio and Quattrochi did not appear at the evidentiary hearing in this matter. Pursuant to Rule 10318 of the Code, the Panel determined that said Respondents received proper notice of the hearing and ruled to proceed in Respondents' absence.

The parties present at hearing 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, testimony, and evidence presented at the hearing, and the post-hearing submissions, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents, LCP, Roveccio and Quattrochi are jointly and severally liable for and shall pay to Claimants, the sum of \$216,275.00 plus interest at 8% per annum from June 26, 2002, until payment of this Award.
- 2) Claimants' claim for punitive damages is denied.

- 3) Each party shall bear its own costs, including any attorney's fees.
- 4) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD-DR received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm, LCP, is a party and the following fees are assessed:

Member Surcharge	= \$1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$2,500.00</u>
Total Member Fees	= \$4,600.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: November 2, 2001 1 session	
(2) Hearing sessions @ \$1,125.00/session	= \$2,250.00
Hearing: May 14, 2002 2 sessions	

Total Forum Fees	= \$3,375.00
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The Panel waived the forum fees with respect to the pre-hearing conference held October 1, 2001.

The Panel assessed the \$3,375.00 in forum fees jointly and severally to Claimants, Thomas Tomanek and Angelita Tomanek.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

The parties did not incur administrative costs.

Fee Summary

1. Claimants are charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 3,375.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$ 3,675.00
<u>Less Payments</u>	= \$(1,425.00)
Balance Due NASD-DR	= \$ 2,250.00

2. Respondent, LCP, is charged with the following fees and costs:

Member Fees	= \$ 4,600.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$ 4,600.00
<u>Less Payments</u>	= \$ (0.00)
Balance Due NASD-DR	= \$ 4,600.00

All balances are payable to NASD Dispute Resolution, Inc. and are payable upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Allan Blau, Esq.	-	Public Arbitrator, Presiding Chair
Robert E. Thompson, Esq.	-	Public Arbitrator
Mary H. Evans, J.D.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Allan Blau, Esq.
Chair, Public Arbitrator

Signature Date

Robert E. Thompson, Esq.
Public Arbitrator

Signature Date

Mary H. Evans, J.D.
Non-Public Arbitrator

Signature Date

Date of Service

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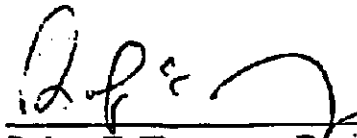
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Robert E. Thompson, Esq. -
Mary H. Evans, J.D. -

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Public Arbitrator
Non-Public Arbitrator

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Signature Date



Robert E. Thompson, Esq.
Public Arbitrator

7-9-02

Signature Date

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NASD Dispute Resolution, Inc.
Arbitration No. 00-05463
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Signature Date

7-7-02
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