

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Name of the Claimants

Erika I. Friedl and Robert R. Friedl

Case Number: 01-00109

Name of the Respondents

LCP Capital Corp., Kevin P. Brody,
Leonard J. Inserra, Ross S. Inserra,
Gregory E. Ricca, Ronald D. Armitage,
David M. Murray, Nicholas A. Cutrone,
Anthony J. Aliotta, Jr., Ira B. Newman,
Charles S. Stoffers, and Silver Capital Group

Hearing Site: Chicago, Illinois

REPRESENTATION OF PARTIES

Claimants Erika I. Friedl and Robert R. Friedl hereinafter collectively referred to as "Claimants": Kevin P. Conway, Esq. of the firm Conway & Conway located in New York, New York.

Respondent LCP Capital Corp. ("LCP Capital") did not enter an appear or participate.

Respondents Kevin P. Brody ("Brody"), Leonard J. Inserra ("L.J. Inserra"), Ross S. Inserra ("R.S. Inserra"): Sameer Rastogi, Esq. of the firm Sichenzia, Ross & Friedman, LLP with offices located in New York, New York.

Respondent David M. Murray ("Murray"): Lawrence R. Gelber, Esq. with law offices located in Brooklyn, New York.

Respondent Gregory E. Ricca ("Ricca"), Ronald D. Armitage ("Armitage"), Nicholas A. Cutrone ("Cutrone"), Anthony J. Aliotta, Jr. ("Aliotta"), Ira B. Newman ("Newman"), and Charles S. Stoffers ("Stoffers") each appeared *pro se*. Originally, they were each represented by Marc J. Ross, Esq. of the firm Sichenzia, Ross & Friedman, LLP with offices located in New York, New York.

Respondent Silver Capital Group ("Silver Capital") was originally represented by Marc J. Ross, Esq. of the firm Sichenzia, Ross & Friedman, LLP with offices located in New York, New York. The firms withdrew as counsel on July 31, 2001. Silver Capital did not appear at hearing.

CASE INFORMATION

Statement of Claim filed on or about: January 09, 2001.

Claimants signed the Uniform Submission Agreement: January 05, 2001.

Joint Statement of Answer filed by Brody, L.J. Inserra, R.S. Inserra, Ricca, Armitage, Cutrone, Aliotta, Newman, Stoffers, and Silver Capital Group on or about: March 08, 2001.

Respondent Newman's Motion to Dismiss filed on or about: April 24, 2002.

Claimants' Response to Respondent Newman's Motion to Dismiss filed on or about: May 14, 2002.

Respondent Newman's Reply in Further Support of his Motion to Dismiss filed on or about: May 21, 2002.

Respondent Armitage's Motion to Dismiss filed on or about: August 23, 2002.

Claimants' Response to Respondent Armitage's Motion to Dismiss filed on or about: September 10, 2002.

Respondent Armitage's Reply to Claimants' Response to Respondent Armitage's Motion to Dismiss filed on or about: September 25, 2002.

Statement of Answer, Request for Immediate Administrative Dismissal with Costs, Motion to Dismiss Statement of Claim and Request for Expungement filed by Murray on or about: March 01, 2001.

Claimants' Response to Respondent Murray's Motion to Dismiss filed on or about: March 20, 2001.

Respondent Murray's Reply in Further Support of his Motion to Dismiss filed on or about: March 23, 2001.

Respondent Cutrone's Post-Hearing Supplemental Answer filed on or about: December 10, 2002.

Respondents Brody, L.J. Inserra, and R.S. Inserra's written request for expungement filed on or about: January 13, 2003.

Respondent Newman's written request for expungement filed on or about: December 10, 2002.

Respondent Armitage's written request for expungement filed on or about: January 24, 2003

CASE SUMMARY

Claimants Friedl asserted the following causes of action: Fraud, Conversion, Breach of Contract, Unauthorized Trading, Breach of Fiduciary Duty, Negligence, Failure to Supervise, Violation of Securities Rules and Regulations, and Intentional Infliction of Emotional Distress.

The causes of action relate to Skynet Holdings, Inc. and Globalnet stock.

Unless specifically admitted in his Statement of Answer, Respondent Murray denied the allegations made in the Statement of Claim.

Unless specifically admitted in their Joint Statement of Answer, Respondents Brody, L.J. Inserra, R.S. Inserra, Ricca, Armitage, Cutrone, Aliotta, Newman, Stoffers, and Silver Capital Group denied the allegations made in the Statement of Claim and asserted the following defenses:

- Claimants assumed the risk;
- The claims barred by the doctrines of waiver, estoppel, and laches;
- Claimants are not entitled to recover costs, disbursement or attorney's fees pursuant to applicable law and Claimants' customer agreement;
- Respondents actions were in the ordinary course of business, were not wrongful and did not proximately cause any of the damages claimed;
- Claimants were sophisticated investors who specifically and knowingly directed, authorized, and assumed the risk of loss alleged herein;
- Claimants were aware of the nature of their investments, and such investments were consistent with their articulated investments objectives, experience, sophistication and/or financial circumstances;
- Any losses sustained by Claimants in their account are wholly attributable to market conditions and price fluctuations outside the control of Respondents and normally associated with investments in the securities markets;
- There is no private right of action, and therefore no basis of recovery, based on NASD or NYSE rules;
- Claimants were provided with full and fair disclosure of all material facts concerning each transaction executed in their account and freely consented to each trade;
- Respondents were not fiduciaries to Claimants and did not owe them a fiduciary duty;
- Claimants have failed to state a claim against Respondents upon which relief may be granted;
- Claimants have failed to plead a claim for fraud with specificity, which would inform Respondents as to the fraudulent conduct allegedly perpetrated against Claimant;
- At all times, Respondents conducted their business in a professional manner and acted in good faith, without knowledge of or participation in any alleged improper conduct;
- Claimants ratified all trades and are estopped from asserting these claims now against Respondents; and
- Respondents executed each and every order placed by Claimants in a promptly, timely, and efficient manner.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$100,000.00
Punitive Damages	unspecified
Interest	pre and post-award on compensatory damages
Attorneys' Fees	reasonable
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	as the panel may deem appropriate

Respondents Brody, L.J. Inserra, R.S. Inserra, Ricca, Armitage, Cutrone, Aliotta, Newman, Stoffers, and Silver Capital Group requested:

Other Monetary/Non-Monetary Relief if any:	expungement and denial and dismissal of claims
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Respondent Murray requested

Other Monetary/Non-Monetary Relief if any:	expungement and denial and dismissal of claims
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OTHER ISSUES CONSIDERED AND DECIDED

Respondent Murray's request for administrative dismissal from this arbitration was referred to the panel of arbitrators. However, prior to the Panel ruling on the Motion to Dismiss, NASD received notice on July 24, 2001 that Claimants had voluntarily dismissed Respondent Murray from this arbitration. As a consequence the panel did not rule on that Motion.

Respondents LCP Capital Corp., Kevin P. Brody, Leonard J. Inserra, Ross S. Inserra, Gregory E. Ricca, Ronald Armitage, David M. Murray, Anthony Aliotta, Nicholas A. Cutrone, Ira B. Newman, and Charles S. Stoffers 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 Silver Capital Group did not file with NASD Dispute Resolution, Inc. a properly executed submission agreement but having answered the claim is bound by the determination of the Panel on all issues submitted.

On November 27, 2002 NASD received notice that Claimants had voluntarily dismissed their claims against Respondents Kevin P. Brody, Leonard J. Inserra, and Ross S. Inserra from this arbitration. The only remaining issue with respect to these Respondents to be decided herein is their request for expungement.

Pursuant to settlement agreements reached during a recess of the hearing held on December 03, 2002, Claimants and Respondents Ronald Armitage, Anthony Aliotta, Ira Newman, and Charles Stoffers entered a Joint Motion to Dismiss these Respondents from the Arbitration and a Joint Motion to Expunge the CRD records of these Respondents. The Panel took the motions under advisement. On December 31, 2002, Claimants noticed NASD that Respondent Aliotta had defaulted on the settlement terms reached at hearing and requested that an Award be entered against Respondent Anthony Aliotta.

In an order dated October 15, 2002, the Panel denied Respondents Newman and Armitage's respective Motions to Dismiss.

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators the "Panel" determined that Respondents Silver Capital Group, LCP Capital Corp., Gregory E. Ricca, Nicholas A. Cutrone 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 Code of Arbitration Procedure (the "Code").

AWARD

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

1. LCP Capital Corp., Gregory E. Ricca, Nicholas A. Cutrone, Anthony J. Aliotta, Jr., and Silver Capital Group are jointly and severally liable for and shall pay to Claimants Erika I. Friedl and Robert R. Friedl the sum of \$36,300.00 as compensatory damages, plus interest in the amount of \$4,500.00.
2. LCP Capital Corp., Gregory E. Ricca, Nicholas A. Cutrone, and Silver Capital Group are jointly and severally liable for and shall pay to Claimants Erika I. Friedl and Robert R. Friedl the sum of \$4,200.00 as attorneys' fees. After considering the arguments, pleadings, and briefs, the Panel has determined that it has the authority to make an award of attorneys' fees.
3. The arbitrator directs the expungement of Respondents Kevin P. Brody, Leonard J. Inserra, Ross S. Inserra, Ronald D. Armitage, David M. Murray, Ira B. Newman, and Charles S. Stoffers' registration records maintained by the NASD Central Registration Depository ("CRD") of all reference to the above captioned complaint with the understanding that pursuant to NASD Notice to Members 99-09, these Respondents must obtain confirmation from a court of competent jurisdiction before the NASD will execute the expungement directive.
4. Unless specified herein, parties shall each bear their own costs.
5. Any and all relief not specifically addressed herein, including punitive damages, is 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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, LCP Capital Corp. is assessed the following fees:

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Three (3) Pre-hearing sessions with Panel at \$750.00 = \$2,250.00

Pre-hearing conferences:	April 11, 2002	1 session
	May 02, 2002	1 session
	August 14, 2002	1 session

One (1) Hearing session at \$750.00 = \$ 750.00

Hearing Date: December 03, 2002 1 session

Total Forum Fees = \$3,000.00

The Panel has assessed \$3,000.00 of the forum fees jointly and severally to LCP Capital Corp., Gregory E. Ricca, Nicholas A. Cutrone, Anthony J. Aliotta, Jr. and Silver Capital Group.

FEE SUMMARY

1. Claimants Erika I. Friedl and Robert R. Friedl are jointly and severally liable for:

Initial Filing Fee	= \$ 225.00
Total Fees	= \$ 225.00
Less payments	= \$ 975.00
Refund Due from NASD Dispute Resolution, Inc.	= \$ 750.00

2. Respondent LCP Capital Corp. is solely liable for:

Member Fees	= \$ 3,100.00
Total Fees	= \$ 3,100.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,100.00

3. Respondents LCP Capital Corp., Gregory E. Ricca, Nicholas A. Cutrone, Anthony J. Aliotta, Jr., and Silver Capital Group are jointly and severally liable for:

Forum Fees	= \$3,000.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,000.00

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

ARBITRATION PANEL

David L. Lee, Esq.	-	Public Arbitrator, Presiding Chairperson
David L. Buffen, Esq.	-	Public Arbitrator
Frank Samuelsohn	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ David L. Lee

03/05/03

David L. Lee, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/ David L. Buffen

03/05/03

David L. Buffen, Esq.
Public Arbitrator

Signature Date

/s/ Frank Samuelsohn

03/05/03

Frank Samuelsohn
Non-Public Arbitrator

Signature Date

03/05/03

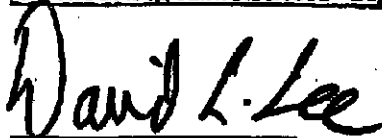
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 01-00109
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David L. Buffen, Esq.	-	Public Arbitrator
Frank Samuelsohn	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



David L. Lee, Esq.
Public Arbitrator, Presiding Chairperson

March 5, 2003

Signature Date

David L. Buffen, Esq.
Public Arbitrator

Signature Date

Frank Samuelsohn
Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution, Inc.
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Public Arbitrator, Presiding Chairperson

Signature Date



David L. Buffen, Esq.
Public Arbitrator

3/5/03

Signature Date

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Non-Public Arbitrator

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NASD Dispute Resolution, Inc.

Arbitration No. 01-00109

Award Page 7 of 7ARBITRATION PANEL

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David L. Buffen, Esq.

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Public Arbitrator

Frank Samuelsohn

-

Non-Public Arbitrator

Concurring Arbitrators' Signatures

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Public Arbitrator, Presiding Chairperson

Signature Date

David L. Buffen, Esq.

Public Arbitrator

Signature Date
Frank Samuelsohn
Non-Public Arbitrator_____
3/5/3
Signature Date_____
Date of Service (For NASD Dispute Resolution office use only)