

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Steven P. Mednick (Claimant) v. Kirlin Securities, Inc., Kirlin Holding Corp., Anthony Kirincic and David O. Lindner (Respondents)

Case Number: 02-06922

Hearing Site: New York, New York

Nature of Dispute: Associated Person v. Member, Non-Member and Associated Persons

REPRESENTATION OF PARTIES

Claimant Steven P. Mednick ("Mednick") hereinafter referred to as "Claimant": James E. Miller, Esq., Shepherd, Finkelman, Miller & Shah, LLC, Hartford, CT.

Respondents Kirlin Securities, Inc. ("Kirlin"), Anthony Kirincic ("Kirincic"), and David O. Lindner ("Lindner") hereinafter collectively referred to as "Respondents": Isaac M. Zucker and Barry M. Bordetsky, Kirlin Securities, Inc., Syosset, NY.

Respondent Kirlin Holdings Corp. ("Kirlin Holdings") did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: November 14, 2002.

Claimant signed the Uniform Submission Agreement: November 12, 2002.

Joint Statement of Answer, Counterclaims and Motion to Dismiss filed by Respondents on or about: February 28, 2003.

Kirlin did not sign the Uniform Submission Agreement.

Kirincic did not sign the Uniform Submission Agreement.

Lindner did not sign the Uniform Submission Agreement.

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

CASE SUMMARY

Claimant asserted the following causes of action: defamation, injurious falsehood or disparagement, tortious interference with contract and prospective business relations, unjust enrichment/quantum meruit, intentional infliction of emotional distress, and breach of fiduciary duties.

Unless specifically admitted in their Answer, Counterclaims and Motion to Dismiss,

Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted the following defenses and counterclaims: failure to state a cause of action, the challenged statements were truthful, any publication of the statement was, at most, an unintentional violation of the NASD rules, Claimant has suffered no damages, the challenged statements were protected by a qualified privilege, the Individual Respondents were not responsible for the challenged conduct and that Mednick had defamed Kirlin Securities, Inc.

Unless specifically admitted in his Consolidated Response to Respondents' Counterclaims and Motion to Dismiss, Claimant denied the allegations of wrongdoing set forth in the Counterclaims and asserted the following defenses to these Counterclaims: failure to state a claim upon which relief can be granted, the counterclaims are barred by the applicable statute of limitations and/or under the doctrines of laches or equitable estoppel, Kirlin Securities, Inc. has not suffered any damages and Claimant acted in a lawful manner and, accordingly, Kirlin Securities, Inc. has no standing or basis to assert the Counterclaims.

RELIEF REQUESTED

Claimant requested damages for lost income and benefits in the amount of \$500,000.00; front pay damages in the amount of \$500,000.00; damages to compensate Claimant for lost business opportunities in an amount of \$1,000,000.00; general and compensatory damages for emotional pain, distress, and suffering, mental anguish, humiliation, loss of enjoyment of life and damage to reputation in the amount of \$1,000,000.00; pre-judgment interest; punitive damages in the amount of \$5,000,000.00; removal and expungement of all defamatory material regarding Claimant in the central files maintained by NASD with respect to his termination from employment with Kirlin; a mandatory injunction ordering Respondents to issue a curative notice to each regulatory agency, including the NASD, to whom it reported Claimant's termination status which confirms that Claimant voluntarily resigned his employment and that he was not subject to any internal investigation at the time of his resignation or accused of any wrongdoing at the time of his resignation; attorneys' fees and costs of suit; and such further relief as the Panel may deem just and proper under the circumstances.

Respondents requested dismissal of the Statement of Claim in its entirety and damages in connection with the Counterclaims asserted.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Kirlin Holdings Corp. is not an NASD member and, therefore, was not required to arbitrate in this forum and did not submit to NASD Dispute Resolution's jurisdiction.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. With respect to Claimant, Steven P. Mednick, the Panel recommends the expungement of the "yes" answer to the Internal Review disclosure question (i.e., disclosure question 15) on the Form U5 submitted by or on behalf of the Respondent, Kirlin Securities, Inc. on or about December 14, 2001, and on any subsequent Form U5 amendments submitted by or on behalf of Respondent, Kirlin Securities, Inc. The Panel further recommends the expungement of the corresponding Internal Review Disclosure Reporting page (i.e., all details as reported on the Internal Review DRP that correspond to the "yes" answer). This information should be expunged from the registration and other records maintained by the NASD Central Registration Depository ("CRD") with respect to Claimant, Steven P. Mednick. The expungement recommendation is based upon the defamatory nature of the information contained in the CRD system.
2. 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 will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$600.00
Counterclaim filing fee	= \$500.00

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 persons at the time of the events giving rise to the dispute. In this matter, Kirlin Securities, Inc. is a party.

Member Surcharge	= \$3,350.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$5,500.00

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. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session = \$1,200.00
Pre-hearing conference: August 5, 2003 1 session

One (1) Hearing session @ \$1,200.00/session = \$1,200.00
Hearing: February 10, 2004 1 session

Total Forum Fees = \$2,400.00

1. The Panel has assessed \$1,200.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,200.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$1,200.00
Total Fees	= \$1,800.00
<u>Less payments</u>	<u>= \$3,700.00</u>
Refund Due Claimant	= \$1,900.00

2. Kirlin is solely liable for:

Member Fees	= \$9,600.00
Total Fees	= \$9,600.00
<u>Less payments</u>	<u>= \$9,600.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

Counterclaim Filing Fee	= \$ 500.00
Forum Fees	= \$1,200.00
Total Fees	= \$1,700.00
<u>Less payments</u>	<u>= \$1,500.00</u>
Balance Due NASD Dispute Resolution	= \$ 200.00

All balances are due and payable to NASD Dispute Resolution.

ARBITRATION PANEL

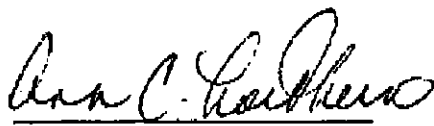
Harry D. Frisch, Esq.	-	Non-Public Arbitrator, Presiding Chair
Ann C. Northern, Esq.	-	Public Arbitrator
Irwin Kahn, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

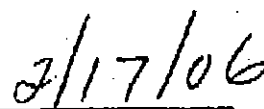
I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this, which is my award.

Harry D. Frisch, Esq.
Non-Public Arbitrator, Presiding Chair

Signature Date



Ann C. Northern, Esq.
Public Arbitrator



Signature Date

Irwin Kahn, Esq.
Non-Public Arbitrator

Signature Date

February 24, 2006

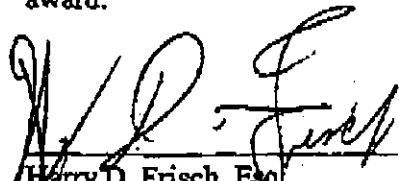
Date of Service (For NASD office use only)

ARBITRATION PANEL

Harry D. Frisch, Esq.	-	Non-Public Arbitrator, Presiding Chair
Ann C. Northern, Esq.	-	Public Arbitrator
Irwin Kahn, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this, which is my award.



Harry D. Frisch, Esq.
Non-Public Arbitrator, Presiding Chair

02/24/2006

Signature Date

Ann C. Northern, Esq.
Public Arbitrator

Signature Date

Irwin Kahn, Esq.
Non-Public Arbitrator

Signature Date

February 24, 2006

Date of Service (For NASD office use only)

ARBITRATION PANEL

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Harry D. Frisch, Esq.
Non-Public Arbitrator, Presiding Chair

Signature Date

Ann C. Northern, Esq.
Public Arbitrator

Signature Date

Irwin Kahn, Esq.
~~Non~~ Public Arbitrator

2/20/06
Signature Date

February 24, 2006

Date of Service (For NASD office use only)