

**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Names of the Claimants

Peter and Patricia Leonetti  
Revocable Living Trust,  
Patricia M. Leonetti, IRA  
Peter A. Leonetti (variable  
annuity) and Peter and Patricia  
Leonetti Revocable Living Trust, IRA

Case Number: 03-01394

Names of the Respondents

InterSecurities, Inc. and  
Garyn I. Angel

Hearing Site: Tampa, Florida

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Nature of the Dispute: Customer vs. Member and Associated Person.

**REPRESENTATION OF PARTIES**

For Peter and Patricia Leonetti Revocable Living Trust, Patricia M. Leonetti, IRA, Peter A. Leonetti (variable annuity) and Peter and Patricia Leonetti Revocable Living Trust, IRA, hereinafter collectively referred to as "Claimants": Emily Peacock, Esq., James, Hoyer, Newcomer & Smiljanich, P.A., Tampa, Florida.

For InterSecurities, Inc. ("InterSecurities") and Garyn I. Angel ("Angel"), hereinafter collectively referred to as "Respondents": Peter B. King, Esq. and Michael S. Lamont, Esq., Fowler White Boggs Banker, P.A., Tampa, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: February 20, 2003.

Claimants signed the Uniform Submission Agreement: March 13, 2003.

Statement of Answer filed by Respondents on or about: May 14, 2003.

Respondent InterSecurities signed the Uniform Submission Agreement: April 4, 2003.

Respondent Angel signed the Uniform Submission Agreement: April 10, 2003.

**CASE SUMMARY**

Claimants asserted the following causes of action: violations of the Florida Securities and Investor Protection Act, Section 517.301, Fla. Stat.; breach of fiduciary duty; fraudulent inducement; negligent misrepresentation; negligence; negligent supervision; and, intentional infliction of emotional distress. The causes of action relate to Claimants' investments in the following funds: JPM Money Market; WRL Janus Growth; WRL Janus Global; VKAM Emerging Growth; Alger Aggressive Growth; NWQ Value Equity; TRP Small Cap; IDEX Janus Growth A; IDEX Janus Capital Appreciation-A; and, IDEX Janus Balanced Fund-A.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested compensatory damages of approximately \$100,000.00, pre-and post-judgment interest, reasonable costs and disbursements incurred in connection with this action, including reasonable expenses, and attorneys' fees, expert witness fees and other costs pursuant to Florida Statutes 517.301 and 517.211, punitive damages, damages to compensate Claimants for emotional distress and suffering, and other relief the Panel deemed necessary and appropriate.

Respondents requested that Claimants' claims be dismissed and that they be awarded their attorneys' fees and costs.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On or about February 10, 2004, Claimants filed with NASD Dispute Resolution a notice of withdrawal of the claim for alleged violations of Chapter 517, Florida Statutes, and as they relate to said claim, the request for reasonable costs and disbursements incurred in connection with this action, including reasonable expenses and attorneys' fees, expert witness fees and other costs, pursuant to Florida Statutes 517.301 and 517.211

On or about March 22, 2004, Claimants informed NASD Dispute Resolution that they had reached an amicable settlement with Respondents and were dismissing their claims against Respondents, with prejudice.

On or about April 9, 2004 and April 26, 2004, the parties filed with NASD a request that the arbitration panel execute a Stipulated Award in this matter. On or about May 13, 2003, the arbitration panel issued an order which granted the request.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

### **AWARD**

After considering the pleadings and the parties' request for the entry of a Stipulated Award, the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Claimants have entered into a settlement agreement with Respondents. All claims against Respondents are dismissed, with prejudice.

The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Angel's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54,

Respondent Angel must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

The parties shall bear their own costs, expenses, and attorneys' fees incurred in connection with this proceeding.

All other claims in this proceeding brought by any party are denied and dismissed, with prejudice.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (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 = \$225.00

#### **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, the member firm is a party.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$750.00
Hearing process fee	= \$1,700.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments for which fees were assessed were granted in this matter.

#### **Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

#### **Forum Fees and Assessments**

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

One (1) Pre-hearing session with the Panel @ \$750.00 = \$750.00  
Pre-hearing conference: September 15, 2003 1 session

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Total Forum Fees = \$750.00

The Panel has assessed \$375.00 of the forum fees to Claimants, jointly and severally.  
The Panel has assessed \$375.00 of the forum fees to Respondent InterSecurities.

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

**FEE SUMMARY**

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$225.00
Forum Fees	= \$375.00
Retained hearing session deposit pursuant to Rule 10332 of the Code	= \$375.00

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Total Fees	= \$975.00
Less payments	= \$975.00

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Balance Due NASD Dispute Resolution	= \$0.00
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Respondent InterSecurities is solely liable for:

Member Fees	= \$3,550.00
Forum Fees	= \$375.00

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Total Fees	= \$3,925.00
Less payments	= \$3,925.00

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Balance Due NASD Dispute Resolution	= \$0.00
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**ARBITRATION PANEL**

H. Steven Holtzman	-	Public Arbitrator, Presiding Chair
Robert S. Bernard, Esq.	-	Public Arbitrator
Allison Hardage	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_/S/\_\_\_\_\_  
H. Steven Holtzman  
Public Arbitrator, Presiding Chair

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Signature Date

\_\_\_\_\_/S/\_\_\_\_\_  
Robert S. Bernard, Esq.  
Public Arbitrator

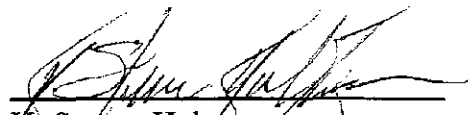
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\_\_\_\_\_/S/\_\_\_\_\_  
Allison Hardage  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

May 24, 2004  
Date of Service (For NASD Dispute Resolution office use only)

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H. Steven Holtzman  
Public Arbitrator, Presiding Chair

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Signature Date

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Robert S. Bernard, Esq.  
Public Arbitrator

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Signature Date

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Allison Hardage  
Non-Public Arbitrator

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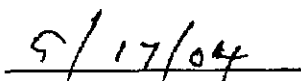


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H. Steven Holtzman  
Public Arbitrator, Presiding Chair

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Signature Date

  
Robert S. Bernard, Esq.  
Public Arbitrator

  
Signature Date

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Allison Hardage  
Non-Public Arbitrator

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H. Steven Holtzman  
Public Arbitrator, Presiding Chair

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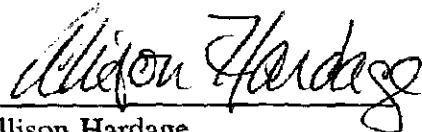
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Robert S. Bernard, Esq.  
Public Arbitrator

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Signature Date



Allison Hardage  
Non-Public Arbitrator

5-21-04

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Signature Date

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