

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Peter Lupoli (Claimant) v. Michael T. Kuczinski, Investors Capital Corp. and Walnut Securities, Inc. (Respondents)

Case Number: 03-06057

Hearing Site: New York, New York

Nature of the Dispute: Customer v. Members and Associated Person.

REPRESENTATION OF PARTIES

Claimant Peter Lupoli ("Lupoli"), hereinafter referred to as "Claimant": Howard S. Meyers, Esq., of Meyers & Heim, LLP, New York, New York.

Respondents Walnut Street Securities, Inc. ("Walnut Street") and Michael T. Kuczinski ("Kuczinski"): Leonard Weintraub, Esq. of Paduano & Weintraub LLP, New York, New York.

Respondent Investors Capital Corporation ("ICC"): Valerie S. Carter, Esq. of Carter & Doyle LLP, Boston, Massachusetts.

Walnut Street, ICC and Kuczinski are hereinafter collectively referred to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about August 19, 2003.

Claimant Lupoli signed the Uniform Submission Agreement: August 13, 2003.

Joint Statement of Answer filed by Respondents Walnut Street and Kuczinski on or about: October 16, 2003.

Statement of Answer filed by Respondent ICC on or about: October 30, 2003.

Respondent Walnut Street signed the Uniform Submission Agreement: September 5, 2003.

Respondent ICC signed the Uniform Submission Agreement: September 5, 2003.

Respondent Kuczinski signed the Uniform Submission Agreement: October 15, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, breach of fiduciary duty, negligence, unsuitability, common law fraud, negligent misrepresentation, securities brokerage malpractice, and violation of New York General Business Law Section 349. The causes of action relate to the purchase of shares of common stock that were held in Claimant's account.

Unless specifically admitted in their Answer, Respondents Kuczinski and Walnut Street denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Respondent ICC denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$100,000.00; pre- and post-judgment interest at the legal rate of 9%; costs, including expert witness fees, filing fees, document reproduction, and hearing costs; punitive damages in the amount of \$400,000.00; reasonable attorneys' fees; a referral to the Enforcement Division of the NASD for disciplinary proceedings based on Respondents' unethical conduct; and any other and further relief that is just, equitable, and proper.

Respondents Kuczinski and Walnut Street requested dismissal of the Statement of Claim in its entirety, with prejudice; costs and attorneys' fees; and such other and further relief as the Panel deems just and proper. In addition, Respondent Kuczinski requested that the Panel enter an Order directing that any reference to this matter be deleted and expunged from the records that attend his securities licensees and that the NASD and Central Registration Depository take all such action to effect deletion and expungement.

Respondent ICC requested that the Panel order Claimant to amend his Statement of Claim, and should he fail to do so, dismiss with prejudice the Statement of Claim; prohibit Claimant from conducting any discovery until he establishes an actual basis of a failure to supervise claim against ICC; and costs, including attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On November 3, 2004, the parties entered into a Confidential Settlement Agreement and Release. Pursuant to the terms of the Confidential Settlement Agreement and Release, Claimant withdrew and dismissed with prejudice his claims against respondent Kuczinski. Pursuant to the terms of the Confidential Settlement Agreement and Release, Claimant further agreed to a Stipulated Award, whereby the Panel would recommend the expungement of all reference to the above captioned arbitration from Respondent Michael Kuczinski's registration records maintained by the NASD Central Registration Depository.

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. The claims of Claimant are dismissed in their entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Michael Kuczinski'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 Michael Kuczinski must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. 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	= \$300.00
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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 persons at the time of the events giving rise to the dispute. In this matter, Walnut Street Securities, Inc. is a party.

Member Surcharge	= \$1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

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, Investors Capital Corp. is a party.

Member Surcharge	= \$1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

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:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$2,250.00
Pre-hearing conference: February 18, 2004 1 session	
February 4, 2005 1 session	
Total Forum Fees	= \$2,250.00

1. The Panel has assessed \$750.00 of the forum fees against Claimant.
2. The Panel has assessed \$750.00 of the forum fees against Respondent Walnut Street.
3. The Panel has assessed \$750.00 of the forum fees against Respondent ICC.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 750.00
Total Fees	= \$1,050.00
Less payments	= \$1,425.00
Refund Due Claimant	= \$ 375.00

2. Respondent Walnut Street is solely liable for:


Member Fees	= \$5,200.00
Forum Fees	= \$ 750.00
Total Fees	= \$5,950.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 750.00

3. Respondent ICC is solely liable for:

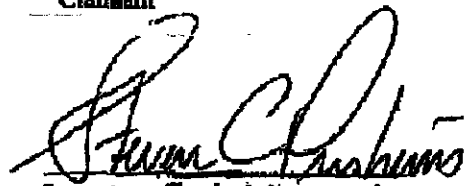
Member Fees	= \$5,200.00
Forum Fees	= \$ 750.00
Total Fees	= \$5,950.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 750.00

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

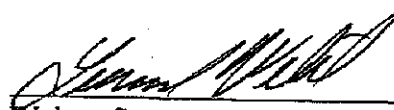
Parties' Signatures


Peter Lupoli
Claimant

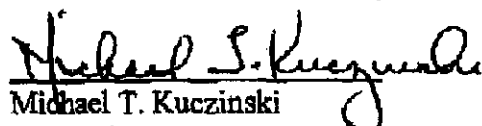
11/15/04
Signature Date


Investors Capital Corporation
Respondent

11/15/04
Signature Date


Walnut Street Securities, Inc.
Respondent *attorney-in-fact*

11/16/04
Signature Date


Michael T. Kuczinski
Respondent

11-15-04
Signature Date

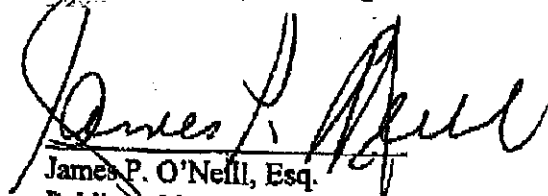
ARBITRATION PANEL

Constantine N. Katsoris, Esq.	-	Public Arbitrator, Presiding Chair
James P. O'Neill, Esq.	-	Public Arbitrator
John J. Bucko	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

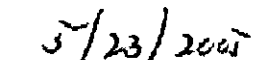
Constantine N. Katsoris
Public Arbitrator, Presiding Chair

Signature Date


James P. O'Neill, Esq.
Public Arbitrator


Signature Date


John J. Bucko
Industry Arbitrator


Signature Date

September 8, 2005
Date of Service (For NASD office use only)