

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

William N. Leporini, Marie Leporini, William J. Leporini, Angelo W. Leporini and Maria F. Leporini (Claimants) vs. First Albany Corporation, n/k/a Albany Capital, Inc., First Union Securities, Inc., n/k/a Wachovia Securities, LLC and Frank DiVincenzo (Respondents)

Case Number: 04-08079

Hearing Site: Boston, Massachusetts

Nature of the Dispute: Customers vs. Members and Associated Person

REPRESENTATION OF PARTIES

Claimants William N. Leporini ("W. N. Leporini"), Marie Leporini ("M. Leporini"), William J. Leporini ("W. J. Leporini"), Angelo W. Leporini ("A. Leporini"), and Maria F. Leporini ("M.F. Leporini"), hereinafter collectively referred to as "Claimants": Michael A. Collora, Esq., Dwyer & Collora, LLP, Boston, MA.

Respondent First Albany Corporation, n/k/a Albany Capital, Inc. ("First Albany"): Brian F. Mumford, Esq., Harvey and Mumford LLP, Albany, NY.

Respondent First Union Securities, Inc., n/k/a Wachovia Securities, LLC ("Wachovia"): Beverly Jo Slaughter, Esq., Wachovia Securities LLC, Richmond, VA.

Respondent Frank M. DiVincenzo ("DiVincenzo") did not enter an appearance.

CASE INFORMATION

Statement of Claim filed on or about: November 19, 2004.

Claimant W. N. Leporini signed the Uniform Submission Agreement: November 12, 2004.

Claimant M. Leporini signed the Uniform Submission Agreement: November 12, 2004.

Claimant W. J. Leporini signed the Uniform Submission Agreement: November 12, 2004.

Claimant A. Leporini signed the Uniform Submission Agreement: November 12, 2004.

Claimant M.F. Leporini signed the Uniform Submission Agreement: November 12, 2004.

Statement of Answer filed by Respondent First Albany on or about: March 4, 2005.

Respondent First Albany signed the Uniform Submission Agreement.

Statement of Answer filed by Respondent Wachovia on or about: March 9, 2005.

Respondent Wachovia signed the Uniform Submission Agreement.

Respondent DiVincenzo did not file a Statement of Answer or submit a Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; breach of contract; violations of State Securities Claim, negligence, respondeat superior, violations of M.G.L. Ch. 93A. The causes of action relate to various speculative securities and other stocks.

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

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

RELIEF REQUESTED

Claimants requested \$2,152,000.00 in compensatory damages from Wachovia and \$465,000.00 for recovery of excessive commission from First Albany, all other compensatory damages, interest, costs and attorneys' fees.

Respondent First Albany requested that the Statement of Claim be dismissed in its entirety, that First Albany be awarded costs, administrative expenses and disbursements of this arbitration proceeding, attorneys' fees, and any other relief the Panel finds just.

Respondent Wachovia requested that the Panel find in its favor on all claims set forth in the Statement of Claim, dismiss the Statement of Claim in its entirety with prejudice and assess all forum fees and costs against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondent DiVincenzo had 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 Respondent present, in accordance with the NASD Code of Arbitration Procedure ("Code").

Respondent DiVincenzo did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement, but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

On or about January 6, 2006, Claimants and Respondent First Albany entered into a settlement agreement.

At the hearing Respondent Wachovia moved to dismiss based on a Statute of Limitations issue. After due deliberation, the Panel denied Respondent's request.

The parties have 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, 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. Respondent Wachovia is liable for and shall pay to Claimant William N. Leporini compensatory damages in the amount of \$293,170.00.
2. Respondent Wachovia is liable for and shall pay to Claimant Marie Leporini compensatory damages in the amount of \$291,465.00.
3. Respondent Wachovia is liable for and shall pay to Claimant William J. Leporini compensatory damages in the amount of \$352,690.00.
4. Respondent Wachovia is liable for and shall pay to Claimant Angelo Leporini compensatory damages in the amount of \$362,810.00.
5. Respondent Wachovia is liable for and shall pay to Claimant Maria Leporini compensatory damages in the amount of \$401,795.00.
6. Any and all relief not specifically addressed herein 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 = \$ 500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, First Albany Corporation and Wachovia Securities, LLC are parties.

First Albany Corporation:

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

Wachovia Securities, LLC:

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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 @ \$1,200.00 = \$ 3,600.00

Pre-hearing conferences: May 31, 2005 1 session
August 11, 2005 1 session
January 6, 2006 1 session

Eleven (11) Hearing sessions @ \$1,200.00 = \$13,200.00

Hearing Dates: January 9, 2006 2 sessions
January 10, 2006 2 sessions
January 11, 2006 2 sessions
January 12, 2006 2 sessions
January 13, 2006 2 sessions
March 27, 2006 1 session

Forum Fees = \$16,800.00

1. The Panel has assessed \$1,680.00 of the forum fees to Claimant W.N. Leporini.
2. The Panel has assessed \$1,680.00 of the forum fees to Claimant M. Leporini.
3. The Panel has assessed \$1,680.00 of the forum fees to claimant W.J. Leporini.
4. The Panel has assessed \$1,680.00 of the forum fees to Claimant A. Leporini.
5. The Panel has assessed \$1,680.00 of the forum fees to Claimant M.F. Leporini.
6. The Panel has assessed \$8,400.00 of the forum fees to Respondent Wachovia.

Fee Summary

1. Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 500.00
Total Fees	= \$ 500.00
<u>Less payments</u>	= \$ 500.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Claimant W.N. Leporini is solely liable for:

<u>Forum Fee</u>	= \$ 1,680.00
Total Fees	= \$ 1,680.00
<u>Less payments</u>	= \$ 540.00
Balance Due NASD Dispute Resolution	= \$ 1,140.00

3. Claimant M. Leporini is solely liable for:

<u>Forum Fee</u>	= \$ 1,680.00
Total Fees	= \$ 1,680.00
<u>Less payments</u>	= \$ 540.00
Balance Due NASD Dispute Resolution	= \$ 1,140.00

4. Claimant W.J. Leporini is solely liable for:

<u>Forum Fee</u>	= \$ 1,680.00
Total Fees	= \$ 1,680.00

<u>Less payments</u>	= \$ 540.00
Balance Due NASD Dispute Resolution	= \$ 1,140.00

5. Claimant A. Leporini is solely liable for:

<u>Forum Fee</u>	= \$ 1,680.00
<u>Total Fees</u>	= \$ 1,680.00
<u>Less payments</u>	= \$ 540.00
Balance Due NASD Dispute Resolution	= \$ 1,140.00

6. Claimant M.F. Leporini is solely liable for:

<u>Forum Fee</u>	= \$ 1,680.00
<u>Total Fees</u>	= \$ 1,680.00
<u>Less payments</u>	= \$ 540.00
Balance Due NASD Dispute Resolution	= \$ 1,140.00

7. Respondent First Albany is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 7,000.00
Refund Due First Albany	= \$ 1,800.00

8. Respondent Wachovia is solely liable for:

<u>Member Fees</u>	= \$ 8,550.00
<u>Forum Fees</u>	= \$ 8,400.00
<u>Total Fees</u>	= \$16,950.00
<u>Less payments</u>	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 8,400.00

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

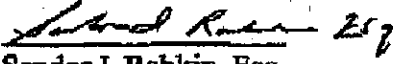
ARBITRATION PANEL

Lewis S. Kurlantzick	-	Public Arbitrator, Presiding Chairperson
Sandor I. Rabkin, Esq.	-	Public Arbitrator
Charles Porten	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Lewis S. Kurlantzick
Public Arbitrator, Presiding Chairperson

Signature Date



Sandor I. Rabkin, Esq.
Public Arbitrator

Apr. 17, 2006

Signature Date

Charles Porten
Non-Public Arbitrator

Signature Date

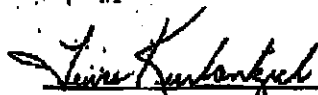
April 13, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Lewis S. Kurlantzick	-	Public Arbitrator, Presiding Chairperson
Sandor I. Rabkin, Esq.	-	Public Arbitrator
Charles Porten	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Lewis S. Kurlantzick
Public Arbitrator, Presiding Chairperson

4/7/06

Signature Date

Sandor I. Rabkin, Esq.
Public Arbitrator

Signature Date

Charles Porten
Non-Public Arbitrator

Signature Date

April 13, 2006
Date of Service (For NASD Dispute Resolution use only)