

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

---

In the Matter of the Arbitration Between:

Name of the Claimant/Counter-Respondent  
Pro-Integrity Securities, Inc.

Case Number: 05-01984

Name of the Respondent/Counter-Claimant/  
Third-Party Claimant  
Lance Lipoufski

Hearing Site: Dallas, Texas.

Third-Party Respondent  
William Martin Perry

---

**NATURE OF THE DISPUTE**

Former Member Firm v. Associated Person v. Associated Person

**REPRESENTATION OF PARTIES**

Claimant/Counter-Respondent Pro-Integrity Securities, Inc., hereinafter referred to as "Pro-Integrity": David Reese Clouston, Esq. and Kevin A. Kinnan, Esq. of the firm of Patton Boggs LLP, located in Dallas, Texas.

Respondent/Counter-Claimant/Third-Party Claimant Lance Lipoufski, hereinafter referred to as "Lipoufski": Appeared pro se and is located in Waco, Texas.

Third-Party Respondent William Martin Perry, hereinafter referred to as "Perry": David Reese Clouston, Esq. and Kevin A. Kinnan, Esq. of the firm of Patton Boggs LLP, located in Dallas, Texas.

**CASE INFORMATION**

Statement of Claim filed: April 15, 2005.

Pro-Integrity signed the Uniform Submission Agreement: April 7, 2005.

Statement of Answer, Counterclaim and Third-Party Claim filed by Lipoufski on or about: June 29, 2005.

Lipoufski signed the Uniform Submission Agreement: June 10, 2005.

Perry did not file a Statement of Answer or an executed Uniform Submission Agreement.

### **CASE SUMMARY**

Pro-Integrity asserted the following causes of action in its Statement of Claim: Breach of Indemnity Agreement and Fraud. These causes of action related to Lipoufski's failure to pay on the indemnity agreement after Pro-Integrity settled a customer's arbitration proceeding and Lipoufski's misrepresentation regarding outside business activities.

Unless specifically admitted in his Answer, Lipoufski denied the allegations made in the Statement of Claim and asserted that Pro-Integrity settled without pursuing the facts and mounting a proper defense to a legal enterprise conducted by Lipoufski. In addition, Lipoufski asserted that Pro-Integrity was fully aware of the other business and felt it was not a security. Lipoufski asserted claims against Pro-Integrity and Perry for harassment and for bringing a malicious/frivolous claim against him.

### **RELIEF REQUESTED**

Pro-Integrity requested:

Compensatory Damages	\$45,000.00 plus any legal fees incurred in settlement of the customer claim
Punitive/Exemplary Damages	Unspecified Amount
Interest	Pre- and Post-Judgment interest as allowed by law
Attorneys' Fees	Pursuant to Section 38.0001 of the Texas Civil Practices and Remedies Code
Other Costs	Unspecified
Other Monetary/Non-Monetary Relief if any:	Forum and administrative fees incurred as a result of this hearing.

Lipoufski requested that the claims against him be dismissed with prejudice. He further requested:

Compensatory Damages	\$1,000,000.00
Punitive/Exemplary Damages	Unspecified
Other Monetary/Non-Monetary Relief if any:	Expenses and administrative fees

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

William Martin Perry did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

### **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/Counter-Claimant/Third-Party Claimant Lance Lipoufski is liable for and shall pay to Claimant/Counter-Respondent Pro-Integrity Securities, Inc. the sum of \$45,000.00 as actual damages, plus interest at the rate of 6% per annum accruing from April 15, 2005 until the sum is paid in full;
2. In addition, Respondent/Counter-Claimant/Third-Party Claimant Lance Lipoufski is liable for and shall pay to Claimant/Counter-Respondent Pro-Integrity Securities, Inc. the sum of \$21,543.00 as attorneys' fees. In deciding to award attorneys' fees, the Panel considered the arguments and pleadings of the Parties, as well as the contract executed by the parties, and determined that authority existed for an award of attorneys' fees to Claimant/Counter-Respondent Pro-Integrity Securities, Inc.;
3. Furthermore, Respondent/Counter-Claimant/Third-Party Claimant Lance Lipoufski is liable for and shall pay to Claimant/Counter-Respondent Pro-Integrity Securities, Inc. the sum of \$1,000.00 as reimbursement of the non-refundable claim filing fee;
4. The Counter-Claim and Third-Party Claims filed by Respondent/Counter-Claimant/Third-Party Claimant Lance Lipoufski are hereby dismissed with prejudice and denied in their entirety;
5. All remaining costs of arbitration, including any additional attorneys' fees, shall be borne by the party incurring the cost, except for those sums specifically enumerated in this decision; and,
6. Any and all relief not specifically addressed herein, including punitive or exemplary 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	= \$ 1,000.00
Counter claim/Third Party Claim filing fee	= \$ 375.00

#### **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 person at the time of the events giving rise to the dispute. Accordingly, Pro-Integrity Securities, Inc. is a party and the following member fees are assessed:

Member surcharge	= \$ 875.00
------------------	-------------

Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 4,000.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed: None.

**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 Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: September 12, 2005 1 session	
Two (2) Hearing sessions @ \$1,200.00	= \$ 2,400.00
Hearing Date: February 1, 2006 2 sessions	
Total Forum Fees	= \$ 3,600.00

The Panel has assessed \$3,600.00 (100%) of the forum fees to Respondent/Counter-Claimant/Third-Party Claimant Lance Lipoufski.

**SEE SUMMARY**

Pro-Integrity Securities, Inc. is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,625.00
Total Fees	= \$ 6,625.00
Less payments	= \$ 3,075.00
Balance Due NASD Dispute Resolution	= \$ 3,550.00

Lance Lipoufski is solely liable for:

Filing Fee	= \$ 375.00
Forum Fees	= \$ 3,600.00
Total Fees	= \$ 3,975.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 2,400.00


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

NASD Dispute Resolution  
Arbitration No. 05-01984  
Award Page 5

**ARBITRATION PANEL**

Frances Johnson Wright, J.D. - Public Arbitrator, Presiding Chairperson  
William L. Dorcy - Public Arbitrator  
Larry N. Quinn, CPA - Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
Frances Johnson Wright, J.D.  
Public Arbitrator, Presiding Chairperson

2/13/2006  
Signature Date

\_\_\_\_\_  
William L. Dorcy  
Public Arbitrator

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

\_\_\_\_\_  
Larry N. Quinn, CPA  
Non-Public Arbitrator

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

2/14/06 N/W  
Date of Service (For NASD Dispute Resolution office use only)

**ARBITRATION PANEL**

Frances Johnson Wright, J.D. - Public Arbitrator, Presiding Chairperson  
William L. Dorcy - Public Arbitrator  
Larry N. Quinn, CPA - Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Frances Johnson Wright, J.D.  
Public Arbitrator, Presiding Chairperson

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

William L Dorcy  
\_\_\_\_\_  
William L. Dorcy  
Public Arbitrator

02-10-06  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Larry N. Quinn, CPA  
Non-Public Arbitrator

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

2/14/06 Mlan  
\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution  
Arbitration No. 05-01984  
Award Page 5

ARBITRATION PANEL

Frances Johnson Wright, J.D. - Public Arbitrator, Presiding Chairperson  
William L. Dorcy - Public Arbitrator  
Larry N. Quinn, CPA - Non-Public Arbitrator

Concurring Arbitrators' Signatures

\_\_\_\_\_  
Frances Johnson Wright, J.D.  
Public Arbitrator, Presiding Chairperson

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

\_\_\_\_\_  
William L. Dorcy  
Public Arbitrator

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

Larry N. Quinn  
Larry N. Quinn, CPA  
Non-Public Arbitrator

2/8/06  
Signature Date

2/14/06 Man  
Date of Service (For NASD Dispute Resolution office use only)