

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimants

Angelo Salcedo
Melvin Gary
Carolyn Clough
Frieda D. Joyce

Case Number: 00-05565

Name of the Respondent/Third-Party Claimant

Capital Brokerage Corporation

Hearing Site: Washington, DC

Name of the Third-Party Respondents

William J. Guy
Candace A. Bloodsworth

REPRESENTATION OF PARTIES

Claimants, Angelo Salcedo ("Salcedo"), Melvin Gary ("Gary"), Carolyn Clough ("Clough") and Frieda D. Joyce ("Joyce"), hereinafter collectively referred to as "Claimants": Kalju Nekvasil, Esq., Goodman & Nekvasil, P.A., Clearwater, FL.

Respondent/Third-Party Claimant, Capital Brokerage Corporation ("Capital"): Kenneth J. Pfahler, Esq., Sonnenschein Nath & Rosenthal, Washington, D.C.

Third-Party Respondents, William J. Guy ("Guy") and Candace A. Bloodsworth ("Bloodsworth") were not represented by counsel and did not appear at the hearing in this matter.

CASE INFORMATION

Statement of Claim filed on: December 14, 2000

Salcedo signed the Uniform Submission Agreement: May 31, 2000

Gary signed the Uniform Submission Agreement: February 8, 2000

Clough signed the Uniform Submission Agreement: March 8, 2001

Joyce signed the Uniform Submission Agreement: November 15, 2000

Amended Statement of Claim filed on or about: September 17, 2001

Statement of Answer filed by Capital on: April 19, 2001

A representative of Capital signed the Uniform Submission Agreement: February 6, 2001, March 19, 2001, July 19, 2001 and November 8, 2001

Amended Statement of Answer filed by Capital on: August 15, 2001

Second Amended Statement of Answer filed by Capital on: November 8, 2001

Third-Party Statement of Claim filed by Capital on: August 15, 2001

Amended Third-Party Statement of Claim filed by Capital on: November 8, 2001

Certificate of Service on William J. Guy filed by Capital on: August 29, 2001

Certificate of Service on Candace A. Bloodsworth filed by Capital on: September 17, 2001

Guy and Bloodsworth did not file a Statement of Answer.

Guy did not sign a Uniform Submission Agreement.

Bloodsworth did not sign a Uniform Submission Agreement.

Motion to Bar Defenses and Motion for Judgment Against Guy and Bloodsworth filed by Capital on or about: July 12, 2002.

CASE SUMMARY

Claimants asserted the following causes of action in their Statement of Claim: violation of federal securities laws; violation of Maryland Securities Act; breach of contract; common law fraud; breach of fiduciary duty; and, negligence. The causes of action relate Claimants' investment in promissory notes issued by World Vision Entertainment, Inc.

Claimants' Amended Statement of Claim withdrew the following causes of action: violation of federal securities laws and violation of Maryland Securities Act.

Unless specifically admitted in its Answer, Capital denied the allegations made in the Statement of Claim and asserted the following defenses: statute of limitations; failure to join necessary parties; absence of a contractual relationship; fraud not pleaded with the required specificity; absence of a fiduciary relationship; failure to state a claim upon which relief can be granted; claims are not ripe; failure to mitigate; statute of frauds and parol evidence rule; absence of actual or apparent authority; and contributory negligence.

Capital's Amended Answer and Second Amended Answer repeated the defenses contained in the Answer. The Second Amended Answer withdrew the failure to join necessary parties defense.

Capital asserted the following causes of action in its Third-Party Statement of Claim and Amended Third-Party Statement of Claim: indemnity; contribution; and, subrogation.

RELIEF REQUESTED

Claimant requested:

| | |
|--|--------------|
| Compensatory Damages | \$199,708.29 |
| Punitive Damages | unspecified |
| Interest | unspecified |
| Attorneys' Fees | unspecified |
| Other Costs | unspecified |
| Other Monetary/Non-Monetary Relief if any: | |
| Rescissionary Damages | unspecified |
| Benefit of the Bargain Damages | unspecified |
| Lost Opportunity Costs | unspecified |
| Model Portfolio Damages | unspecified |

Capital requested in its Answer that the Panel dismiss Claimants' claims with prejudice, award Capital the costs and expenses of this action, and impose the entirety of the forum fees against Claimants.

Capital requested in its Third-Party Statement of Claim the following: any and all damages sustained by Capital as a result of Guy's and Bloodsworth's actions; indemnity; contribution and/or subrogation from Guy and Bloodsworth; interest on any and all damages; costs of this action; and, that the Panel impose the entirety of the forum fees upon Guy and Bloodsworth.

OTHER ISSUES CONSIDERED AND DECIDED

On June 28, 2002, Capital notified NASD that Claimants and Capital had amicably resolved the claims against Capital.

Capital's Motion to Bar Defenses and Motion for Judgment Against Guy and Bloodsworth was granted.

Upon review of the file and the representations made by the Capital, the undersigned arbitrators determined that Guy and Bloodsworth have been properly served with the Third-Party Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Guy and Bloodsworth present, in accordance with the NASD Code of Arbitration Procedure.

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 Capital's Motion to Bar Defenses and Motion for Judgment Against Guy and Bloodsworth, the Affidavit of William E. Daner, Jr. and the exhibits attached thereto, and the other 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. Guy and Bloodsworth are jointly and severally liable to Capital and shall pay it the amount of \$ 30,000. This amount represents the amount that Capital has committed to pay Salcedo as a result of the sale by Guy and Bloodsworth of one (1) World Vision promissory note to Salcedo;
2. Bloodsworth is liable to Capital and shall pay it the amount of \$ 25,000. This amount represents the amount that Capital has committed to pay Gary as a result of the sale by Bloodsworth of one (1) World Vision promissory note to Gary;
3. Guy and Bloodsworth are jointly and severally liable to Capital and shall pay it the amount of \$ 99,708.29. This amount represents the amount that Capital has committed to pay Clough as a result of the sale by Guy and Bloodsworth of one (1) World Vision promissory note to Clough;
4. Guy and Bloodsworth are jointly and severally liable to Capital and shall pay it the amount of \$ 20,000. This amount represents the amount that Capital has committed to pay Joyce as a result of the sale by Guy and Bloodsworth of one (1) World Vision promissory note to Joyce;
5. Bloodsworth is liable to Capital and shall pay it the amount of \$ 25,000. This amount represents the amount that Capital has committed to pay Joyce as a result of the sale by Bloodsworth of one (1) World Vision promissory note to Joyce;
6. Guy is liable to Capital and shall pay it the amount of \$ 22,963.32. This amount represents the amount that Capital has paid to Ralph and Phyllis Litton as a result of the sale by Guy of two (2) World Vision promissory notes and one (1) contract issued by Auto Shutter, Inc. to the Littons;
7. Guy is liable to Capital and shall pay it the amount of \$ 16,250. This amount represents the amount that Capital has committed to pay to Harold and Lois Bryant as a result of the sale by Guy of a Driving Force 1, RLLP contract to the Bryants;
8. Guy and Bloodsworth are jointly and severally liable to Capital and shall pay it the amount of \$ 13,000. This amount represents the amount that Capital has committed to pay Harold and Lois Bryant as a result of the sale by Guy and Bloodsworth of an AmeriTech Petroleum, Inc. promissory note to the Bryants;

9. Guy is liable to Capital and shall pay it the amount of \$ 69,794.40. This amount represents the amount which Capital is obligated to pay to Blanca Etters as a result of the sale by Guy of two (2) SafeStor Orlando I, L.L.P. contracts to Blanca Etters and her late husband;
10. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
11. 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 | = \$ 150.00 |
| Third Party Claim filing fee | = \$ 1,000.00 |

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. Accordingly, Capital Brokerage Corporation is a party.

| | |
|-------------------------|---------------|
| Member surcharge | = \$ 600.00 |
| Pre-hearing process fee | = \$ 600.00 |
| Hearing process fee | = \$ 2,500.00 |

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:

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|---|---------------|
| Three (3) Pre-hearing sessions with a single arbitrator @ \$ 450.00 | = \$ 1,350.00 |
| Pre-hearing conference: April 15, 2002 3 sessions | |
| One (1) Pre-hearing session with Panel @ \$ 1,125.00 | = \$ 1,125.00 |
| Pre-hearing conference: December 4, 2001 1 session | |
| Two (2) Hearing sessions @ \$ 1,125.00 | = \$ 2,250.00 |
| Hearing Date(s): July 22, 2002 2 sessions | |

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|------------------|---------------|
| Total Forum Fees | = \$ 4,725.00 |
|------------------|---------------|

1. Claimants have agreed to pay \$ 1,237.50 of the forum fees.
2. Capital has agreed to pay \$ 1,237.50 of the forum fees.
3. The Panel has assessed \$ 2,250.00 of the forum fees, jointly and severally, to Guy and Bloodsworth.

Fee Summary

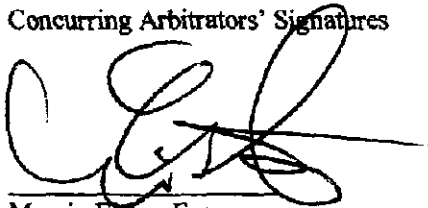
| | |
|--|---------------|
| 1. Claimants are jointly and severally liable for: | |
| Initial Filing Fee | = \$ 150.00 |
| Forum Fees | = \$ 1,237.50 |
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| Total Fees | = \$ 1,387.50 |
| Less payments | = \$ 775.00 |
| <hr/> | |
| Balance Due NASD Dispute Resolution | = \$ 612.50 |
| | |
| 2. Capital is solely liable for: | |
| Third-Party Filing Fee | = \$ 1,000.00 |
| Member Fees | = \$ 3,700.00 |
| Forum Fees | = \$ 1,237.50 |
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| Total Fees | = \$ 5,937.50 |
| Less payments | = \$ 5,200.00 |
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| Balance Due NASD Dispute Resolution | = \$ 737.50 |
| | |
| 3. Guy and Bloodsworth are jointly and severally liable for: | |
| Forum Fees | = \$ 2,250.00 |
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| Total Fees | = \$ 2,250.00 |
| Less payments | = \$ 0.00 |
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| Balance Due NASD Dispute Resolution | = \$ 2,250.00 |

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

ARBITRATION PANEL

| | | |
|---------------------|---|--|
| Marvin Elster, Esq. | - | Public Arbitrator, Presiding Chairperson |
| Lars Solem | - | Public Arbitrator, Panelist |
| Constance Drapeau | - | Non-Public Arbitrator, Panelist |

Concurring Arbitrators' Signatures



Marvin Elster, Esq.
Public Arbitrator, Presiding Chairperson

October 21, 2002

Signature Date

Lars Solem
Public Arbitrator, Panelist

Signature Date

Constance Drapeau
Non-Public Arbitrator, Panelist

Signature Date


October 24, 2002
Date of Service (For NASD Dispute Resolution office use only)

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Concurring Arbitrators' Signatures

Marvin Elster, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date




Lars Solem NASD A-31397
Public Arbitrator, Panelist



Signature Date

Constance Drapeau
Non-Public Arbitrator, Panelist

Signature Date



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

Concurring Arbitrators' Signatures

Marvin Elster, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Lars Solem
Public Arbitrator, Panelist

Signature Date

Constance Drapeau

Constance Drapeau
Non-Public Arbitrator, Panelist

Oct 22, 2002

Signature Date

October 24, 2002
Date of Service (For NASD Dispute Resolution office use only)