

**AWARD**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between

InvestIn Securities Corp.

and

01-1101  
Southfield, Michigan

Castle Mountain Group, L.L.C.

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**REPRESENTATION OF PARTIES**

InvestIn Securities Corp. ("Claimant") was represented by Jim Cott, InvestIn Securities, Group, Dallas, Texas. Claimant appeared at hearing by telephone.

Castle Mountain Group, L.L.C. ("Respondent") was represented by K. Alexander, Esq., Alexander & Associates, P.C., Southfield, Michigan.

**CASE INFORMATION**

The Statement of Claim was filed on or about March 6, 2001. Submission Agreement of Claimant InvestIn Securities Corp. was signed on March 5, 2001, by Jay Proffit.

Statement of Answer and Counterclaim was filed by Respondent Castle Mountain Group, L.L.C. on or about June 15, 2001. Submission Agreement of Respondent Castle Mountain Group, L.L.C. was signed on June 15, 2001, by Timothy M. Mucciante.

**CASE SUMMARY**

Claimant asserted that Respondent failed to repay an outstanding debit balance. The cause of action relates to Claimants purchase of equity and option instruments which generated a Regulation T call.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and requested that Claimant release the Respondents positions it liquidated to cover the alleged call.

**RELIEF REQUESTED**

Claimant requested an award in the amount of \$3,861.75, plus interest, fees, and costs associated with the arbitration case.

Respondent requested that the claims asserted against them be denied in its entirety and that it be awarded \$371,497.17, plus interest since September 19, 2000, in exchange for funds paid into escrow in the amount of \$3,700.05. At hearing, Respondent requested damages of \$53,000.00.

### **OTHER ISSUES CONSIDERED & DECIDED**

The Arbitrator granted Claimant's Request to Appear by Telephone at the Hearing. The parties accepted the composition of the Panel.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

### **AWARD**

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrator have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent Castle Mountain Group is liable for and shall pay to Claimant InvestIn Securities, Corp. the sum of \$3,861.75 in compensatory damages;
- 2.) Respondent Castle Mountain Group is liable for and shall pay to Claimant InvestIn Securities Corp. the sum of \$400.00 in filing fees retained by NASD;
- 3.) Respondent Castle Mountain Group is liable for and shall pay to Claimant InvestIn Securities Corp. the sum of \$3,300.00 in costs pursuant to the Customer Account Agreement and the Customer Margin and Short Account Agreement;
- 4.) Respondent Castle Mountain Group's Counterclaim is dismissed with prejudice;
- 5.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 6.) That any relief not specifically enumerated, including punitive damages, is hereby denied with prejudice.

## FEEES

**Pursuant to the Code, the following fees are assessed:**

### Filing Fees

**NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:**

Initial claim filing fee	= \$400.00
Counterclaim 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 that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is InvestIn Securities, Corp.

Member surcharge	= \$ 200.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

## Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$450.00  
Pre-hearing conference: Date 1 session

One (1) Hearing session x \$450.00	= \$450.00
Hearing Date: December 11, 2001 1 session	
<b>Total Forum Fees</b>	<b>= \$900.00</b>

The Arbitration Panel has assessed \$900.00 of the forum fees to Castle Mountain Group, L.L.C.

**Fee Summary**

Claimant, InvestIn Securities Corp., is liable for:

Initial Filing Fee	= \$ 400.00
Member Fees	= \$ 3,300.00
Total Fees	= \$ 3,700.00
Less payments	= \$ 725.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,975.00

Respondent, Castle Mountain Group, L.L.C., is liable for:

Counterclaim Filing Fee	= \$ 225.00
Forum Fees	= \$ 900.00
Total Fees	= \$ 1,125.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,125.00

All balances are due to NASD Dispute Resolution, Inc.

**ARBITRATION PANEL**

Verne C. Hampton, II, Esq.- Public/Non-Public, Presiding Chair

Concurring Arbitrator:

/s/ Verne C. Hampton  
Verne C. Hampton, II, Esq.  
Public Arbitrator, Presiding Chair

01/07/02  
Signature Date

01/08/02  
Date of Service (For NASD office use only)

**Claimant, InvestIn Securities Corp., is liable for:**

**Respondent, Castle Mountain Group, L.L.C., is liable for:**

Counterclaim Filing Fee	= \$ 225.00
Forum Fees	= \$ 900.00
Total Fees	= \$ 1,125.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,125.00

## ARBITRATION PANEL

**Verne C. Hampton, II, Esq.- Public/Non-Public, Presiding Chair**

**Concurring Arbitrator:**

Verne C. Hampton, II, Esq.  
Public Arbitrator, Presiding Chair

January 7, 2002  
Signature Date

Date of Service: (For NASD office use only)