
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
J. P. Turner & Company, LLC

Case Number: 04-01114

Name of the Respondent
Composite Technology Corp.

Hearing Site: Atlanta, Georgia

Nature of the Dispute: Member vs. Non-Member With Agreement to Arbitrate.

REPRESENTATION OF PARTIES

For J. P. Turner & Company, LLC, hereinafter referred to as "Claimant": Richard J. Babnick, Jr., Esq., Sichenzia Ross Freidman Ference, LLP, New York, New York.

For Composite Technology Corp., hereinafter referred to as "Respondent": Luan Phan, Esq., Richardson & Patel, LLP, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed on or about: February 20, 2004.

Claimant signed the Uniform Submission Agreement: March 2, 2004.

Statement of Answer and Counterclaim filed by Respondent on or about: May 14, 2004.

Respondent signed the Uniform Submission Agreement: May 13, 2004.

Reply to Counterclaim filed by Claimant on or about: May 28, 2004.

CASE SUMMARY

Claimant asserted a claim for breach of the Finders' Agreement dated September 4, 2003 entered into between Claimant and Respondent.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses. Further, Respondent asserted a Counterclaim which alleged fraud by intentional misrepresentations and fraud by negligent misrepresentation.

Unless specifically admitted in its Reply to Counterclaim, Claimant denied the allegations made in Respondent's Counterclaim and asserted various defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$200,000.00, a warrant to purchase Respondent's common shares equal to \$200,000.00, plus interest, attorneys' fees, expenses and such other relief deemed just, equitable and necessary. In addition, Claimant requested that Respondent's Counterclaim be denied in its entirety.

Respondent requested that the Statement of Claim be denied in its entirety and that the forum fees and costs be assessed to Claimant. In addition, Respondent requested an award of such additional or alternative relief as may be equitable or just. Furthermore, as asserted in its Counterclaim, Respondent requested unspecified compensatory and punitive damages, costs, attorney's fees and such other and further relief deemed just and appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent is not a member of the NASD but, pursuant to the terms of the Finders' Agreement, has agreed to arbitrate all disputes through NASD Dispute Resolution and having executed a Uniform Submission Agreement, answered the claim, and appeared and testified at the hearing, is bound by the determinations of the Panel on all issues submitted.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

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:

Respondent is liable and shall pay to Claimant compensatory damages in the amount of \$106,763.28, plus interest at the rate of 7% per annum from December 18, 2003 until the date of payment of the Award.

Respondent is liable and shall pay to Claimant \$500.00 representing reimbursement of one-half of the initial claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Respondent's Counterclaim is denied in its entirety.

Any and all claims for relief not specifically addressed herein, including Respondent's request for punitive damages and the parties' requests for attorneys' fees, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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
Counterclaim filing fee	= \$ 250.00

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. In this matter, the member firm, J. P. Turner & Company, LLC, is a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No three-day cancellation fees were incurred in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: November 15, 2004 1 session	
One (1) Pre-hearing session with the Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: July 19, 2004 1 session	
Four (4) Hearing sessions @ \$1,125.00	= \$4,500.00
Hearing Dates: February 24, 2005 2 sessions	
February 25, 2005 2 sessions	
Total Forum Fees	= \$6,075.00

The Panel has assessed \$3,037.50 of the forum fees to Claimant.

The Panel has assessed \$3,037.50 of the forum fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to: additional copies of arbitrator awards; copies of audio transcripts; retrieval of documents from archives; interpreters; and, security.

No administrative costs were incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00
<u>Forum Fees</u>	<u>= \$3,037.50</u>
Total Fees	= \$9,237.50
<u>Less payments</u>	<u>= \$7,325.00</u>
Balance Due NASD Dispute Resolution	= \$1,912.50

Respondent is solely liable for:

Counterclaim Filing Fee	= \$ 250.00
<u>Forum Fees</u>	<u>= \$3,037.50</u>
Total Fees	= \$3,287.50
<u>Less payments</u>	<u>= \$1,250.00</u>
Balance Due NASD Dispute Resolution	= \$2,037.50

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

ARBITRATION PANEL

Patrick Emery Longan	-	Public Arbitrator, Presiding Chairperson
Daniel E. Gulden, Esq.	-	Public Arbitrator
Laree Payne Kennedy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

03/01/2005

Patrick Emery Longan
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

03/02/2005

Daniel E. Gulden, Esq.
Public Arbitrator

Signature Date

/s/

03/02/2005

Laree Payne Kennedy
Non-Public Arbitrator

Signature Date

03/02/2005

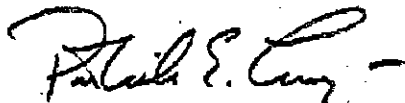
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Concurring Arbitrators' Signatures



Patrick Emery Longan
Public Arbitrator, Presiding Chairperson

March 1, 2005

Signature Date

Daniel E. Gulden, Esq.
Public Arbitrator

Signature Date

Laree Payne Kennedy
Non-Public Arbitrator

Signature Date


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Concurring Arbitrators' Signatures

Patrick Emery Longan
Public Arbitrator, Presiding Chairperson

Signature Date


Daniel E. Gulden, Esq.
Public Arbitrator

3/2/05
Signature Date

Laree Payne Kennedy
Non-Public Arbitrator

Signature Date

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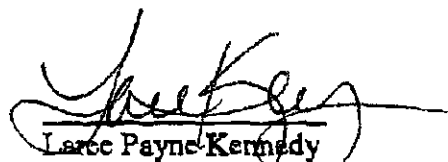
Concurring Arbitrators' Signatures

Patrick Emery Longan
Public Arbitrator, Presiding Chairperson

Signature Date

Daniel E. Gulden, Esq.
Public Arbitrator

Signature Date



Loretta Payne-Kennedy
Non-Public Arbitrator

3/2/05

Signature Date

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