

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Robert L. and Patricia F. Oliver

Case Number: 04-05773

Name of the Respondents

Intersecurities, Inc.;
Gregory James Hilderbrand; and,
Peter Even Dahlstrom

Hearing Site: Dallas, Texas.

NATURE OF THE DISPUTE

Customer vs. Member Firm and Associated Persons

REPRESENTATION OF PARTIES

Claimants Robert L. and Patricia F. Oliver, hereinafter referred to as "Claimants": Lee Bowie, Esq., of the firm of Davidson, Bowie & Sims, PLLC, located in Jackson, Mississippi, and Richard H. Elliott, Esq., of the Law Offices of Richard Elliott, located in Dallas, Texas.

Respondents Intersecurities, Inc. ("Intersecurities"), Gregory James Hilderbrand ("Hildebrand") and Peter Even Dahlstrom ("Dahlstrom"), hereinafter collectively referred to as "Respondents": Burton W. Wiand, Esq. and Katherine C. Lake, Esq., of the firm of Fowler White Boggs Banker P.A., located in Tampa, Florida.

CASE INFORMATION

Statement of Claim filed: August 13, 2004.

Claimants signed the Uniform Submission Agreement: June 26, 2004.

Statement of Answer filed by Respondents on: November 26, 2004.

Respondent Intersecurities signed the Uniform Submission Agreement: October 6, 2004.

Respondent Hildebrand signed the Uniform Submission Agreement: September 28, 2004.

Respondent Dahlstrom signed the Uniform Submission Agreement: September 28, 2004.

Respondents' Motion to Dismiss filed on: May 23, 2005.

Claimants' Response to Respondents' Motion to Dismiss filed: June 29, 2005

Claimants' Pre-Hearing Brief filed on: February 8, 2006.

Respondents' Arbitration Brief filed on: February 8, 2006.

Claimants' Motion to Reopen Hearing filed on: March 9, 2006.

Respondents' Response to Claimants' Motion to Reopen Hearing filed on: March 14, 2006.

CASE SUMMARY

Claimants asserted the following causes of action:

1. Breach of Fiduciary Duty, including :
 - a. The duty to refrain from self dealing;
 - b. The duty to study recommendations;
 - c. The duty to inform customers about risk;
 - d. The duty not to misrepresent materials facts; and,
 - e. Negligence, breach of NASD Rules and Breach of Contract;
2. Violation of Louisiana Securities laws; and;
3. Intersecurities' failure to supervise.

These causes of action related to Respondents having placed Claimants into investments in an annuity and IRA Rollover Plan which invested in volatile mutual funds and convincing Claimants to sign a management contract to manage one of the annuity accounts.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following affirmative defenses:

1. Claimants were fully advised of and understood the nature of the investments purchased in their accounts;
2. Claimants received prospectuses or disclaimer documentation for all their investments which disclosed the investments' nature and associated risks;
3. Claimants' claims are barred by the doctrines of estoppel, ratification, and waiver;
4. Claimants' losses were caused by acts, events, and/or conditions beyond Respondents' control;
5. Claimants failed to act with due diligence in connection with their investments and failed to timely disaffirm the transactions and acts complained of in the Statement of Claim despite their knowledge of these alleged actions and transactions;
6. Claimants failed to mitigate their damages;
7. Claimants' claims are barred by the doctrine of unclean hand;
8. Claimants' losses were proximately caused by their own decisions, conduct, and/or negligence, and not by any action or inaction of Respondents. Therefore, the Claimants' claims are barred in whole or in proportion to their negligence that contributed to their losses;
9. Claimants' claims arise out of a contractual relationship and, as a result, all of the non-contractual claims are barred by the economic loss doctrine;
10. Claimants' claims are barred by the doctrine of express assumption of risk;
11. Claimants' claims are barred by the principles of comparative negligence;

12. Respondents had in place procedures and a system for applying such procedures which were reasonably designed to prevent and detect the alleged securities violations;
13. Claimants' claims are in whole or in part barred by the statute of limitations and/or laches; and,
14. Claimants are not entitled to recovery against the Respondents because Respondents acted in good faith at all times and exercised reasonable diligence.

RELIEF REQUESTED

Claimants Robert L. and Patricia F. Oliver requested:

Compensatory Damages	In excess of \$400,000.00
Punitive Damages	\$100,000.00
Interest	As prescribed by Louisiana law
Attorneys' Fees	Unspecified amount
Other Costs	Unspecified amount
Other Monetary/Non-Monetary Relief if any:	Rescission of the variable annuity transactions and such other relief as the Panel deemed just and proper.

Respondents requested that the Panel deny the Claimants' claims in their entirety, and award them their costs, including reasonable attorneys' fees, incurred in defending the claim.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of Respondents' Motion to Dismiss and Claimants' response to the Motion, on July 20, 2005, the Panel denied the Motion.

At the hearing on March 1, 2006, upon conclusion of the Claimants' case-in-chief, the Respondents orally presented a Motion to Dismiss. After considering the parties' arguments and the evidence presented, the Panel determined that the Motion would be granted.

On March 9, 2006, Claimants filed a Motion to Reopen Hearing. The Motion and the Response received on March 14, 2006 were forwarded to the Panel for review and determination. On March 23, 2006, the Panel determined that the Motion would be denied.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing Motion, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The claims presented by Claimants Robert L. and Patricia F. Oliver are dismissed with prejudice;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Gregory James Hilderbrand's and Peter Even Dahlstrom's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondents Hildebrand and Dahlstrom must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents. Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact: The claim, allegation, or information is false;
3. The parties shall bear their own costs of arbitration, including any attorneys' fees, except for those sums specifically enumerated herein;
4. 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	= \$ 300.00
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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. Accordingly, Intersecurities, Inc. is a party and the following member fees are assessed:

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

September 27-30, 2005 adjournment by Claimants	= \$ 1,125.00
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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 @ \$1,125.00	= \$ 1,125.00
Pre-hearing conferences: January 28, 2005 1 session	
Four (4) Hearing sessions @ \$1,125.00	= \$ 4,500.00
Hearing Dates: February 28, 2006 2 sessions	
March 1, 2006 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 5,625.00

The Panel has assessed \$2,812.50 of the forum fees, jointly and severally, to Claimants Robert L. and Patricia F. Oliver. The Panel has assessed the remaining \$2,812.50 of the forum fees, jointly and severally, to Respondents Intersecurities, Inc., Gregory James Hilderbrand and Peter Even Dahlstrom.

FEE SUMMARY

Claimants Robert L. and Patricia F. Oliver are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 2,812.50
<hr/> Total Fees	<hr/> = \$ 4,237.50
Less payments	= \$ 1,425.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ 2,812.50

Respondent Intersecurities, Inc. is solely liable for:

Member Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ 0.00

Respondents Intersecurities, Inc., Gregory James Hilderbrand and Peter Even Dahlstrom are solely liable for:

Forum Fees	= \$ 2,812.50
Less payments	= \$ 0.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ 2,812.50

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

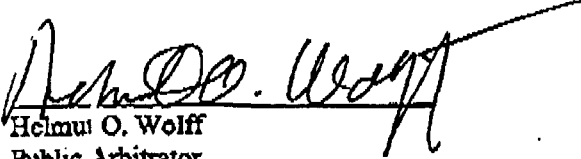
ARBITRATION PANEL

Sherrie R. Abney, J.D. - Public Arbitrator, Presiding Chairperson
Helmut O. Wolff - Public Arbitrator
Kurt L. Smith - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Sherrie R. Abney, J.D.
Public Arbitrator, Presiding Chairperson

Signature Date


Helmut O. Wolff
Public Arbitrator


Signature Date

Kurt L. Smith
Non-Public Arbitrator

Signature Date


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

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Helmut O. Wolff - Public Arbitrator
Kurt L. Smith - Non-Public Arbitrator

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Public Arbitrator, Presiding Chairperson

Signature Date

Helmut O. Wolff
Public Arbitrator

Signature Date



Kurt L. Smith
Non-Public Arbitrator



Signature Date

3/30/06 MAN
Date of Service (For NASD Dispute Resolution office use only)