

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Sandro Grimaldi

Case Number: 04-08292

Name of the Respondent
VFinance Investments, Inc.

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Sandro Grimaldi, hereinafter referred to as "Claimant": Jonathan M. Drucker, Esq., Trescott, Drucker & Vasallo, P.L., Coral Gables, Florida.

For VFinance Investments, Inc., hereinafter referred to as "Respondent": Adam H. Smith, P.A., Boca Raton, Florida.

CASE INFORMATION

Statement of Claim filed on or about: December 3, 2004.

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

Motion to Dismiss and Statement of Answer filed by Respondent on or about: May 5, 2005.

Respondent signed the Uniform Submission Agreement: May 3, 2005.

Respondent's Motion to Strike Statement of Answer filed on or about: February 22, 2005.

Respondent's Explanation and Motion for Leave to File Answer to Claimant's Statement of Claim filed on or about: April 4, 2005.

Claimant's Response to Respondent's Motion for Leave to File Answer filed on or about: April 13, 2005.

Respondent's Emergency Motion to Preclude Claimant from Presenting Evidence or, in the Alternative, for Adjournment filed on or about: December 2, 2005.

Claimant's Response to Respondent's Emergency Motion to Preclude Claimant from Presenting Evidence or, in the Alternative, for Adjournment filed on or about: December 2, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: negligence; breach of fiduciary duty and unauthorized trading; and respondeat superior. The causes of action relate to the purchase and sale of shares of Environmental Remediation HLDG and BEA Systems, Inc. in Claimant's account.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested that the Arbitrator enter an award against Respondent for damages consisting of the following: damages of approximately \$20,262.81; the return of all commissions and other profits or benefits that Respondent realized from its conduct; the costs of the arbitration; and, an award of the entitlement to attorneys' fees pursuant to Florida Statute Chapter 517.

Respondent requested relief as follows: that the Motion to Dismiss the Statement of Claim in its entirety be granted; in the event the Motion to Dismiss the Statement of Claim is not granted, that all claims be dismissed in their entirety with prejudice against Respondent; that Respondent be awarded NASD member surcharges incurred as a result of defending this action; and, that Respondent be awarded its costs in defending this proceeding, and that all costs and surcharges be assessed against Claimant, together with such other and further relief as the Panel deemed appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 11, 2005, the Arbitrator issued an order which denied as moot Claimant's Motion to Strike Answer as no Answer had been received.

On or about March 24, 2005, the Arbitrator issued an order which directed Respondent to file a written request and reasons why it should be permitted to file a late Statement of Answer. In addition, the order stated that if the request to file a Statement of Answer was denied, Respondent would not be permitted to file a counterclaim or affirmative defenses.

On or about April 14, 2005, the Arbitrator issued an order which granted Respondent's Motion for Leave to File Answer to Claimant's Statement of Claim.

In its Motion to Dismiss, Respondent asserted there is no genuine issue of material fact that warrants a hearing and that Claimant's losses are the result of illegal and intentional fraudulent acts of a third party. On or about May 12, 2005, the Arbitrator issued an order which denied Respondent's Motion to Dismiss.

On or about December 5, 2005, the Arbitrator issued an order which denied Respondent's Emergency Motion to Preclude Claimant from Presenting Evidence or, in the Alternative, for Adjournment.

During the evidentiary hearing, Respondent made a motion for directed verdict which was denied by the Arbitrator except as it pertained to Claimant's request for attorneys' fees which was granted. The Arbitrator stated said motion would be considered again after Respondent rested. The Arbitrator thereafter denied the motion.

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, and the post-hearing submissions (if any), the undersigned arbitrator (the "Arbitrator") has decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable and shall pay to Claimant the sum of \$18,600.00.

Any and all claims for relief not specifically addressed herein, including Claimant's request 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	= \$125.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$425.00
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Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees 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:

There were no three-day cancellation fees 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.

There were no injunctive relief fees 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 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 a single arbitrator @ \$450.00	= \$450.00
Pre-hearing conference: March 24, 2005 1 session	
Four (4) Hearing sessions @ \$450.00	= \$1,800.00
Hearing Dates: December 6, 2005 2 sessions	
December 7, 2005 2 sessions	
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Total Forum Fees	= \$2,250.00

The Arbitrator has assessed \$1,125.00 of the forum fees to Claimant.

The Panel has assessed \$1,125.00 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.

There were no administrative costs incurred in this matter.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$125.00
Forum Fees	= \$1,125.00
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Total Fees	= \$1,250.00
Less payments	= \$575.00
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Balance Due NASD Dispute Resolution	= \$675.00

Respondent is solely liable for:

Member Fees	= \$425.00
Forum Fees	= \$1,125.00
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Total Fees	= \$1,550.00
Less payments	= \$425.00
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Balance Due NASD Dispute Resolution	= \$1,125.00

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

ARBITRATOR

Allen J. Kaplan, Esq.

Public Arbitrator, Presiding Chair

Arbitrator's Signature

_____/S/_____
Allen J. Kaplan, Esq.
Public Arbitrator, Presiding Chair

December 8, 2005
Signature Date

December 8, 2005
Date of Service (For NASD Dispute Resolution office use only)

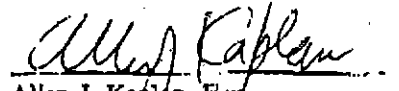
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