
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Capital Growth Financial, LLC

Case Number: 04-08441

Names of the Respondents
Independent Securities Investor Corporation
Stephen Desiderio

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Member vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Capital Growth Financial, LLC ("CGF"), hereinafter referred to as "Claimant": Delmer C. Gowing, III, Esq., Ocean Ridge, Florida.

For Independent Securities Investor Corporation ("ISIC"), hereinafter referred to as "Respondent ISIC": Dennis Jordan, Independent Securities Investor Corporation, Chipley, Florida.

Stephen Desiderio ("Desiderio"), hereinafter referred to as "Respondent Desiderio", did not appear.

CASE INFORMATION

Statement of Claim filed on or about: December 13, 2004.

Claimant signed the Uniform Submission Agreement: December 12, 2004.

Statement of Answer filed by Respondents ISIC and Desiderio on or about: March 16, 2005.

Respondent ISIC did not file an executed Uniform Submission Agreement.

Respondent Desiderio did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: misrepresentation and breach of contract. The causes of action relate to Respondents' alleged agreement to accept and pay for 30,000 shares of the initial public offering for Hyperspace Communications.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$150,000.00 plus costs.

Respondents did not specifically delineate a relief request.

OTHER ISSUES CONSIDERED AND DECIDED

Stuart Jackson, P.C., filed a Statement of Answer on behalf of both Respondents in this matter. During a conference call on or about October 17, 2005, Lloyd Garten, Esq., from Stuart Jackson, P.C., informed the Panel that Mr. Jackson withdrew as counsel for Respondents due to a conflict of interest. Thereafter, Respondent ISIC was represented by Dennis Jordon and Respondent Desiderio had no further representation.

Respondent ISIC did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the arbitrators (the "Panel") on all issues submitted.

Respondent Desiderio did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

Upon review of the file and the representations made by/on behalf of Claimant, the Panel determined that Respondent Desiderio has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the Code.

The parties 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 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:

The Panel finds in favor of the Respondents on all counts. Accordingly, all Claimant's claims are dismissed, with prejudice.

Any and all claims for relief not specifically addressed herein are 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 = \$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, Claimant CGF is a member firm and party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

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, Respondent ISIC is a member firm and party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

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 Arbitrator (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:

Three (3) Pre-hearing sessions with the Panel @ \$1,125.00	= \$3,375.00
Pre-hearing conferences:	
June 1, 2005	1 session
October 18, 2005	1 session
January 6, 2006	1 session

Two (2) Hearing sessions @ \$1,125.00	= \$2,250.00
<u>Hearing Date:</u>	<u>April 19, 2006 2 sessions</u>

Total Forum Fees = \$5,625.00

The Panel assessed the total forum fees of \$5,625.00 to Claimant.

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 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
Forum Fees	= \$ 5,625.00
Total Fees	= \$11,825.00
Less payments	= \$ 7,325.00
Balance Due NASD Dispute Resolution	= \$ 4,500.00

Respondent ISIC is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Michael J. Fingar, Esq.	-	Public Arbitrator, Presiding Chairperson
George R. Canty, Jr., Esq.	-	Public Arbitrator
Gustavus L. Pearthree	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ _____
Michael J. Fingar, Esq.
Public Arbitrator, Presiding Chairperson

April 22, 2006
Signature Date

/s/ _____
George R. Canty, Jr., Esq.
Public Arbitrator

April 21, 2006
Signature Date

/s/
Gustavus L. Pearthree
Non-Public Arbitrator

April 21, 2006
Signature Date

May 2, 2006
Date of Service (For NASD Dispute Resolution office use only)

Total Forum Fees = \$5,625.00

The Panel assessed the total forum fees of \$5,625.00 to Claimant.

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 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>= \$ 5,620.00</u>
Total Fees	= \$11,820.00
<u>Less payments</u>	<u>= \$ 7,325.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,495.00

Respondent ISIC is solely liable for:

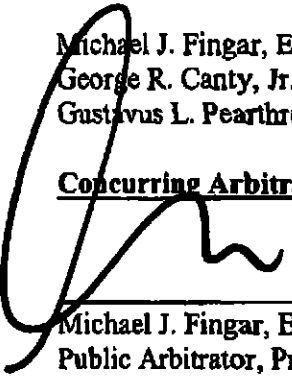
<u>Member Fees</u>	<u>= \$5,200.00</u>
Total Fees	= \$5,200.00
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Michael J. Fingar, Esq.	-	Public Arbitrator, Presiding Chairperson
George R. Canty, Jr., Esq.	-	Public Arbitrator
Gustavus L. Pearthree	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Michael J. Fingar, Esq.
Public Arbitrator, Presiding Chairperson

4/22/06
Signature Date

George R. Canty, Jr., Esq.
Public Arbitrator

Signature Date

Total Forum Fees = \$5,625.00

The Panel assessed the total forum fees of \$5,625.00 to Claimant.

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 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
Forum Fees	= \$ 5,620.00
Total Fees	= \$11,820.00
Less payments	= \$ 7,325.00
Balance Due NASD Dispute Resolution	= \$ 4,495.00

Respondent ISIC is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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


ARBITRATION PANEL

Michael J. Fingar, Esq.	-	Public Arbitrator, Presiding Chairperson
George R. Canty, Jr., Esq.	-	Public Arbitrator
Gustavus L. Pearthree	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Michael J. Fingar, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



George R. Canty, Jr., Esq.
Public Arbitrator

4/21/06

Signature Date

NASD Dispute Resolution

Arbitration No. 04-08441

Award Page 5 of 5



Gustavus L. Pearthree
Non-Public Arbitrator

4/21/06
Signature Date

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