
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Vacation Links of Florida, Inc.

Case Number: 05-05196

Names of the Respondents

Capital Securities of America, Inc.
Jerry Cline

Hearing Site: Orlando, Florida

Name of the Third Party Respondent

Charles Watson

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

REPRESENTATION OF PARTIES

For Vacation Links of Florida, Inc., hereinafter referred to as "Claimant": K. Michael Swann, Esq., Snyderburn, Rishoi & Swann, Maitland, Florida.

For Respondent Capital Securities of America, Inc. ("CSA"): David W. Schmidt, Esq., Lubiner & Schmidt, Cranford, New Jersey.

Respondent Jerry Cline ("Cline"), appeared pro se.

Third Party Respondent Charles Watson ("Watson"), did not appear.

CASE INFORMATION

Statement of Claim filed on or about: October 6, 2005.

Claimant signed the Uniform Submission Agreement: October 3, 2001.

Amended Statement of Claim filed on or about: December 2, 2005.

Statement of Answer and Third Party Claim filed by Respondent CSA on or about: January 13, 2006.

Respondents Cline and Watson did not file Statements of Answers.

Respondent CSA signed the Uniform Submission Agreement: October 10, 2005.

Respondent Cline signed the Uniform Submission Agreement: January 11, 2006.

Third Party Respondent Watson did not file a signed Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: 1) sale of unregistered securities; 2) fraudulent inducement; 3) breach of fiduciary duty; 4) negligence; and, 5) breach of contract. The causes of action relate to Claimant's investment in the Global Capital Fund, Ltd.

Unless specifically admitted in its Answer, Respondent CSA denied the allegations made in the Statement of Claim and asserted various affirmative defenses. Respondent CSA filed a Third Party Claim alleging any damages sustained by Claimant are the responsibility of Third Party Respondent Watson.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$200,000.00, interest, attorneys' fees, punitive damages and costs.

Respondent CSA requested that the Statement of Claim be dismissed in its entirety and an award of attorney's fees and costs. In addition, Respondent CSA filed a Third Party Claim requesting indemnification from Third Party Respondent Watson.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Third Party Respondent Watson has been properly served with the Statement of Claim, and that arbitration of this matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Watson 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 is bound by the determination of the Panel on all issues submitted.

On or about December 2, 2005, Claimant filed an Amended Statement of Claim that dismissed Respondent Cline from this matter.

On or about October 10, 2006, Claimant and Respondent CSA advised NASD Dispute Resolution that they had settled this matter. Thereafter, on or about December 12, 2006, Claimant filed with NASD Dispute Resolution a Notice of Voluntary Dismissal, with prejudice, of Respondent CSA.

On or about October 19, 2006, Respondent CSA advised NASD Dispute Resolution that they would be filing a Motion for Default Judgment against Third Party Respondent Watson.

On or about November 22, 2006, Respondent CSA filed a Motion for a Default Judgment against Third Party Respondent Watson pursuant to Rule 10314(e) of the Code.

On January 3, 2006, the Panel granted Respondent CSA's Motion for Default Judgment.

The parties have agreed that the Award in this matter may be entered in counterpart copies or that a signed handwritten Award may be entered.

AWARD

After considering Respondent CSA's Motion for Default Judgment, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

This matter was resolved between Claimant and Respondents CSA and Cline. The only issue before the Panel is Respondent CSA's Motion for Default Judgment.

Respondent CSA's Motion for Default Judgment pursuant to Rule 10314(e) of the Code is granted and Third Party Respondent Watson shall pay to said Respondent compensatory damages in the amount of \$75,000.00 and attorney's fees in the amount of \$43,986.55.

Third Party Respondent shall pay to Respondent CSA the amount of \$1,000.00 representing the claim filing fee previously paid by said Respondent to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Respondent CSA's request for punitive damages, 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	= \$ 300.00
Third Party 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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Respondent CSA is a party to this dispute and was a member of NASD at the time the following fees were assessed:

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed 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 cancellation fees were assessed 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 during this proceeding.

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:

Six (6) Decisions on discovery-related motions on the papers with one (1) Arbitrator @ \$200.00	= \$1,200.00
Claimant submitted (4) four discovery-related motions Respondent CSA submitted (2) two discovery-related motions	
One (1) Pre-hearing session with a single arbitrator @ \$450.00/session Pre-hearing conference: June 21, 2006 1 session	= \$ 450.00
One (1) Pre-hearing session with the Panel @ \$1,125.00/session Pre-hearing conference: February 23, 2006 1 session	= \$1,125.00
Total Forum Fees	= \$2,775.00

The Panel has assessed \$1,387.50 of the forum fees to Claimant.

The Panel has assessed \$1,387.50 of the forum fees jointly and severally to Respondent CSA and Third Party Respondent Watson.

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 during this proceeding.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$1,387.50
Total Fees	= \$1,687.50
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$ 262.50

Respondent CSA is solely liable for:

Third Party Claim Filing Fee	= \$1,000.00
<u>Member Fees</u>	<u>= \$5,200.00</u>
<u>Total Fees</u>	<u>= \$6,200.00</u>
<u>Less payments</u>	<u>= \$6,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent CSA and Third Party Respondent Watson are jointly and severally liable for:

Forum Fees	= \$1,387.50
Total Fees	= \$1,387.50
Less payments	= \$1,387.50
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

<i>John T. Luce</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Ron Pekoe</i>	-	<i>Public Arbitrator</i>
<i>Gordon E. Hippner</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
John T. Luce
Public Arbitrator, Presiding Chairperson

1/4/07
Signature Date

/s/
Ron Pekoe
Public Arbitrator

1/5/07
Signature Date

/s/
Gordon E. Hippner
Non-Public Arbitrator

1/4/07
Signature Date

1/5/07
Date of Service (For NASD Dispute Resolution office use only)

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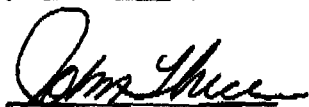
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Public Arbitrator, Presiding Chairperson

Ron Pekoe
Public Arbitrator

Signature Date

1/5/07
Signature Date

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Gordon E. Hippner
Non-Public Arbitrator


Signature Date

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