
Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Betty Rose Gonzales
Claimant,

Vs.

Jefferson Pilot Securities Corp., and Andrew P. Weis
Respondent.

Case Number: 00-03603

Hearing Site: Denver, Colorado

REPRESENTATION OF PARTIES

Claimant, Betty Rose Gonzales ("Gonzales"): Richard Nervig, Esq., of the firm Nervig & Vorndran, L.L.C., Englewood, Colorado.

Respondent, Jefferson Pilot Securities Corporation, ("Jefferson Pilot"): David von Gunten, Esq., of the firm Treece, Alfrey, Musat & Bosworth, P.C., Denver, Colorado.

Respondent, Andrew P. Weis ("Weis") was *pro se*.

CASE INFORMATION

Statement of Claim filed on or about: August 25, 2000.

Claimant, Gonzales signed the Uniform Submission Agreement on May 30, 2000.

Respondent, Jefferson Pilot filed a Statement of Answer and Cross-Claim on or about October 30, 2000.

A corporate representative on behalf of Respondent Jefferson Pilot signed the Uniform Submission Agreement on October 30, 2000.

The NASD has no record of Respondent, Weis filing a Statement of Answer or a signed Uniform Submission Agreement.

CASE SUMMARY

Claimant, Gonzales alleged the following causes of action against the Respondents: Suitability, Breach of Fiduciary Duty, Failure to Supervise and Negligence. The claims relate to Respondents allegedly improper recommendations of highly speculative and some unregistered securities in contravention of state and federal securities laws and in violation of the fiduciary duties owed Claimant. The securities at issue included: TX Community Church Bonds, Alliance Leasing, ATEL Cash, Dist. Fd. IV, World Cash Providers, LLC, ATEL Capital Equip Fd. VIII, Office Tower Internet, LLP.

Respondent, Jefferson Pilot denied all allegations and requests set forth in the Statement of Claim and asserted defenses including the following: The applicable statutes of limitation or section 10304 of the NASD Code of Arbitration Procedures may bar some or all of Claimant's claims; Claimant's claims may be limited or barred by contract; Claimant affirmatively assumed the risk of any loss; by her actions, Claimant consented to and ratified any of the investments made; Respondent, Jefferson Pilot's actions with respect to Claimant were always in good faith and without scienter, and Jefferson Pilot did not, directly or indirectly, induce the alleged wrongful conduct of Mr. Weis; Respondent, Weis was an independent contractor and Jefferson Pilot is therefore not responsible for his tortuous conduct, if any.

Respondent also asserted a Cross-Claim against Weis for indemnification under allegations of contract, negligence, or negligent misrepresentation.

Claimant, Gonzales requested:

Compensatory Damages	\$40,000.00
Punitive Damages	unspecified
Attorney's Fees and Settlement Costs	unspecified
Interest	unspecified
Costs	unspecified

Respondent, Jefferson Pilot requested:

Compensatory Damages	unspecified
Specific Performance	unspecified

OTHER ISSUES CONSIDERED AND DECIDED

Respondent, Weis did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

Respondent, Weis failed to attend the regularly scheduled hearing. Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators ("Panel") determined that Respondent, Weis had 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 NASD Code of Arbitration Procedure (the "Code").

In a letter dated July 23, 2001, from Claimant, the undersigned panel was advised that Claimant, Gonzales dismissed with prejudice her claims against Respondent Jefferson Pilot Securities Corporation. (Claimant did not dismiss her claims against Respondent Weis.) Therefore, the Panel made no further rulings as to Respondent Jefferson Pilot Securities Corporation.

Respondent Jefferson Pilot sought reimbursement for attorneys' fees from Weiss. The undersigned Panel reviewed and considered the request, and all responsive documents, and denied Respondent Jefferson Pilot's requests for attorneys fees against Respondent Weis for attorneys' fees incurred in this matter.

The parties present at the hearing have 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, and post hearing submission on attorneys' fees, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Andrew Weis is solely liable for and shall pay to the Claimant, Betty Rose Gonzales the sum of \$35,600 (Thirty-five Thousand, Six Hundred Dollars) as Compensatory Damages.
2. Respondent, Andrew Weis is solely liable for and shall pay to the Claimant, Betty Rose Gonzales, the sum of \$19,500 (Nineteen Thousand, Five Hundred Dollars) in Punitive Damages. In deciding to award punitive damages, the undersigned panel considered the arguments of the parties, post hearing submissions containing statutory and case law, as well as the pleading filed on their behalf and determined that authority exists for an award of punitive damages to the Claimant.
3. Respondent, Andrew Weis is solely liable for and shall pay to the Claimant, Betty Rose Gonzales the sum of \$23,733 (Twenty Three Thousand, Seven Hundred and Thirty-Three Dollars) in attorneys' fees and \$175 (one hundred seventy five dollars) in costs. In deciding to award attorneys' fees and costs, the panel considered the arguments of the parties, post hearing submissions containing statutory and case law, as well as the pleadings filed on their behalf and determined that

authority exists for an award of attorneys' fees and costs to Claimant.

4. Claimant, Betty Rose Gonzales, dismissed with prejudice all claims against Jefferson Pilot Securities Corporation on July 23, 2001.
5. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial Claim Filing Fee	= \$175
Cross-Claim Filing Fee	= \$500

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 is Jefferson Pilot Securities Corporation.

Member surcharge	= \$800
Pre-hearing Process Fee	= \$600
Hearing Process Fee	= \$1,000
 Total Member Fees	 = \$2,400

Forum Fees and Assessments

The arbitrator has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, 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 Panel x \$600	= \$1,800
Pre-hearing conference(s):	
May 9, 2001	1 session
May 14, 2001	1 session
May 17, 2001	1 session
 One (1) Hearing session x \$ 600	 = \$ 600
Hearing Date(s):	
August 8, 2001	1 session
Total Forum Fees	= \$2,400

The panel has assessed entire \$2,400 in Forum Fees against the Respondent, Andrew Weis.

Fee Summary

1. Claimant, Betty Rose Gonzales, be and hereby is solely liable for:

<u>Claim Filing Fee</u>	= \$ 175
<u>Total Fees</u>	= \$ 175
<u>Less payments</u>	= \$ 975
Refund Due Betty Rose Gonzales	= (\$800)

2. Respondent, Jefferson Pilot Securities Corporation, be and hereby is solely liable for:

Counter-Claim Filing Fee	= \$500
<u>Member Fees</u>	= \$2,400
<u>Total Fees</u>	= \$2,900
<u>Less payments</u>	= \$3,900
Refund Due Jefferson Pilot Securities Corp.	= (\$1,000)

3. Respondent, Andrew Weis, be and hereby is solely liable for:

<u>Forum Fees</u>	= \$2,400
<u>Total Fees</u>	= \$2,400
<u>Less payments</u>	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$2,400

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Peter D. Bowes	-	Public, Presiding Chair
Harold M. Golz, Esq.	-	Non-Public Arbitrator
Gerald P. Long	-	Public Arbitrator

Peter D. Bowes
Public Arbitrator, Presiding Chair

Signature Date

Harold M. Golz, Esq.
Non-Public Arbitrator, Panelist

Signature Date

Gerald P. Long
Public Arbitrator, Panelist

Signature Date

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

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 Arbitration # 00-03603
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Harold M. Golz, Esq.

Gerald P. Long



Peter D. Bowes

Public Arbitrator, Presiding Chair

- Public, Presiding Chair

- Non-Public Arbitrator

- Public Arbitrator



Signature Date

Harold M. Golz, Esq.

Non-Public Arbitrator, Panelist

Signature Date

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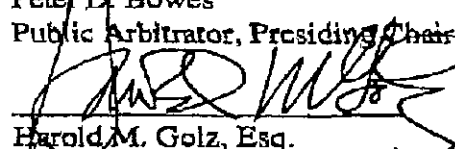
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Harold M. Golz, Esq.	-	Non-Public Arbitrator
Gerald P. Long	-	Public Arbitrator

Peter D. Bowes
Public Arbitrator, Presiding Chair


Harold M. Golz, Esq.
Non-Public Arbitrator, Panelist

Signature Date

9/21/01

Signature Date

Gerald P. Long
Public Arbitrator, Panelist

Signature Date

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ARBITRATION PANEL

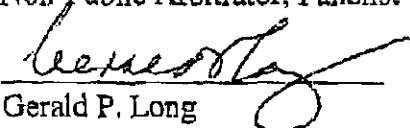
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Harold M. Golz, Esq.	-	Non-Public Arbitrator
Gerald P. Long	-	Public Arbitrator

Peter D. Bowes
Public Arbitrator, Presiding Chair

Signature Date

Harold M. Golz, Esq.
Non-Public Arbitrator, Panelist

Signature Date



Gerald P. Long
Public Arbitrator, Panelist

Sept 19, 2001

Signature Date

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