

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Nationwide Investment Services Corp.

Case No. 00-04213

Name of Respondent

Lawrence Morris Rothermel

Hearing Site: Atlanta, Georgia

REPRESENTATION OF PARTIES

For Nationwide Investment Services Corp. ("Nationwide"), hereinafter referred to as "Claimant": Robert P. Riordan, Esq. and Lisa M. Durham, Esq. of Alston & Bird, LLP, Atlanta, Georgia.

For Lawrence Morris Rothermel ("Rothermel"), hereinafter referred to as "Respondent": Neal J. Quirk, Esq. and Brendan H. Parnell, Esq. of Quirk & Quirk, P.C., Atlanta, Georgia.

CASE INFORMATION

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

Claimant's Reply to Respondent's Counterclaim filed on or about: November 27, 2000.

Claimant signed the Uniform Submission Agreement: September 14, 2000.

Statement of Answer and Counterclaim filed by Respondent on or about: November 16, 2000.

Respondent signed the Uniform Submission Agreement: November 13, 2000.

CASE SUMMARY

Claimant asserted the following: Respondent, a former authorized representative of Nationwide, has over the past six months violated, and continues to violate, the terms of an agreement entered into between Claimant and Respondent on June 18, 1998 (the "Agreement"). Under the terms of the Agreement, Respondent promised to refrain from activity competitive with Claimant and its affiliates for a period of twelve months after conclusion of his relationship with Claimant. Respondent's continued competitive activity directly violates the terms of the Agreement, for which violation

Claimant seeks both injunctive relief and damages.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: At no time during the course of his relationship at Nationwide or thereafter has Respondent violated any provision of his Agreement with Nationwide; the covenants not to compete contained in the Agreement are unreasonable and unenforceable because they seek to eliminate mere ordinary competition; and, despite Respondent's compliance at all times with his Agreement, Nationwide has shown a pattern of bad faith since Respondent's termination.

Respondent asserted a counterclaim which alleged the following: It is in the best interest of Respondent's former accounts that are currently with Nationwide or any affiliated company to surrender, redeem, and/or terminate their products, services, and/or relationship with Nationwide or its affiliated companies. Therefore, Nationwide should be required, pursuant to the Agreement, to give its written authorization that Respondent encourage or recommend that these accounts surrender, redeem or terminate their products, services and/or relationships with Nationwide or its affiliated companies. Further, Nationwide's recent change in policy whereby Respondent is prohibited from sending Nationwide change of enrollment forms on behalf of individual participants is made in bad faith, is in restraint of trade, and intentionally interferes with Respondent's business relations, and is therefore unenforceable. Nationwide should be enjoined from refusing forms sent by Respondent to Nationwide on behalf of participants. In addition, if an individual participant decides to move his/her money, or if the accounts are ordered to be moved by the panel, Nationwide should be enjoined from frustrating or blocking this transfer through specific form requirements. Further, the actions taken by Claimant in this action have been stubbornly litigious, vexatious and conducted in bad faith.

Unless specifically admitted in its Reply, Claimant denied the allegations made in the counterclaim.

RELIEF REQUESTED

Claimant requested permanent injunctive relief to bar Respondent Rothermel from engaging in any further competitive activity in violation of the Agreement and an unspecified amount of damages to compensate Claimant for Respondent's violation of the Agreement. Further, Claimant requested a dismissal of the counterclaim.

Respondent requested that all relief requested by Claimant be denied; that the covenants not to compete contained in the Agreement be deemed unenforceable; that Nationwide be required to give its written authorization that Respondent may encourage or recommend to his former customers that they surrender, redeem, and/or terminate their products, services, and/or relationships with Nationwide or its affiliated companies pursuant to the Agreement, because it is in the best interests of

these customers; that Nationwide be enjoined from refusing forms submitted by Respondent on behalf of individual participants; that Respondent recover from Claimant all damages, including his costs and attorneys' fees, as a result of Claimant's bad faith; and, that this Panel grant Respondent such other and further relief as it deemed legal, equitable and just.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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 the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's claims are denied in their entirety.

Claimant is liable on the counterclaim and shall pay to Respondent the sum of \$56,616.00.

Any and all relief not specifically addressed herein, is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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	= \$500.00
Counterclaim filing fee	= \$250.00

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. In this matter, the member firm is a party.

Member surcharge	= \$1,200.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$2,000.00

Adjournment Fees

Adjournments requested during these proceedings:

There were no adjournments requested during these proceedings.

Forum Fees and Assessments

The panel has the authority to assess forum fees for each hearing session conducted. A hearing 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:

Two Pre-hearing sessions with Panel x \$1,000.00	= \$2,000.00
Pre-hearing conferences: March 29, 2001	1 session
June 12, 2001	1 session
Three Hearing sessions x \$1,000.00	= \$3,000.00
Hearing Dates: June 20, 2001	2 sessions
June 21, 2001	1 session
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Total Forum Fees	= \$5,000.00

The panel has assessed the total forum fees of \$5,000.00 to Claimant.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$500.00
Member Fees	= \$3,800.00
Forum Fees	= \$5,000.00

Total Fees	= \$9,300.00
Less payments	= \$5,300.00

Balance Due NASD Dispute Resolution, Inc.	= \$4,000.00
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Respondent be and hereby is solely liable for:

Counterclaim Filing Fee	= \$250.00
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Total Fees	= \$250.00
Less payments	= \$250.00

Balance Due NASD Dispute Resolution, Inc.	= \$0.00
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All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon the receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Lawrence L. Orr, III
F. John Herrmann
Ann M. Owens

Non-Public Arbitrator, Presiding Chair
Non-Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/_____
Lawrence L. Orr, III
Non-Public Arbitrator, Presiding Chair

Signature Date

_____/S/_____
F. John Herrmann
Non-Public Arbitrator

Signature Date

_____/S/_____
Ann M. Owens
Non-Public Arbitrator

Signature Date

July 25, 2001
Date of Service (For NASD-Dispute Resolution office use only)

Total Fees	= \$250.00
Less payments	= \$250.00
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Balance Due NASD Dispute Resolution, Inc.	= \$0.00

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ARBITRATION PANEL

Lawrence L. Orr, III
F. John Herrmann
Ann M. Owens

Non-Public Arbitrator, Presiding Chair
Non-Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

Lawrence L. Orr, III
Non-Public Arbitrator, Presiding Chair

Signature Date

F. John Herrmann
F. John Herrmann
Non-Public Arbitrator

July 17, 2001
Signature Date

Ann M. Owens
Non-Public Arbitrator

Signature Date

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

Total Fees	= \$250.00
Less payments	= \$250.00

Balance Due NASD Dispute Resolution, Inc.	= \$0.00
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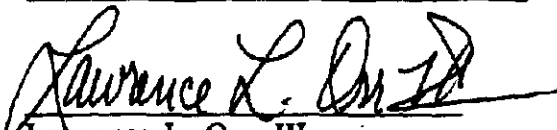
All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon the receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Lawrence L. Orr, III
F. John Herrmann
Ann M. Owens

Non-Public Arbitrator, Presiding Chair
Non-Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


Lawrence L. Orr, III
Non-Public Arbitrator, Presiding Chair

7-16-01
Signature Date

F. John Herrmann
Non-Public Arbitrator

Signature Date

Ann M. Owens
Non-Public Arbitrator

Signature Date

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

Total Fees	= \$250.00
Less payments	= \$250.00
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Balance Due NASD Dispute Resolution, Inc.	= \$0.00

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon the receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Lawrence L. Orr, III
F. John Herrmann
Ann M. Owens

Non-Public Arbitrator, Presiding Chair
Non-Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

Lawrence L. Orr, III
Non-Public Arbitrator, Presiding Chair

Signature Date

F. John Herrmann
Non-Public Arbitrator

Signature Date



Ann M. Owens
Non-Public Arbitrator

7.17.01

Signature Date

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