

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between

Name of Claimant

David B. Tardy

Case No. 00-04477

Name of Respondents

Jefferson Pilot Securities, Corporation  
Paul G. Romweber  
John E. Longmire

Hearing Site: Richmond, Virginia

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**REPRESENTATION OF PARTIES**

Claimant, David B. Tardy ("Claimant") was represented by J. Mark Gregory, Esq. of the law firm of Hairfield & Morton, PLC, Richmond, VA.

Respondent Jefferson Pilot Securities Corporation ("Jefferson Pilot") and John E. Longmire ("Longmire") were represented by John S. Barr, Esq. and Anne Bentley McCray, Esq. of the law firm of McGuireWoods, LLP, Richmond, VA.

Paul G. Romweber ("Romweber") was not represented.

**CASE INFORMATION**

Statement of Claim filed on or about: October 6, 2000

Claimant signed the Uniform Submission Agreement: October 2, 2000

Statement of Answer filed by Respondents Jefferson Pilot and Longmire on or about: January 11, 2001

Jefferson Pilot's Uniform Submission Agreement was signed on: January 11, 2001

Longmire's Uniform Submission Agreement was signed on; January 11, 2001

Romweber neither filed a Statement of Answer nor did he file a Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: unsuitability; churning; failure to supervise; material misrepresentations and fraud. The causes of action relate to Romweber's trading in

stocks in Claimant's account which in light of Claimant's investment objectives were unsuitable. Claimant contended that Jefferson Pilot and Longmire failed to supervise Romweber and Claimant's account.

Unless specifically admitted in its Answer, Jefferson Pilot and Longmire denied the allegations made in the Statement of Claim and asserted the following defenses: no sum is due and owing by these respondents; the claim is barred by the doctrines of contributory negligence and/or assumption of risk; the claim is barred by the doctrines of ratification, waiver, estoppel, laches, failure to mitigate and accord and satisfaction; the claims are barred by all applicable statutes of limitations; any losses sustained were due to the vagaries and volatilities of the securities market and not due to any purported wrongdoing by the respondents; Romweber was properly supervised; and, Jefferson Pilot and Longmire denied that they or any of their agents breached any applicable standard of care due and owing to Claimant.

No answer was filed by Romweber.

#### **RELIEF REQUESTED**

Claimant, in his Statement of Claim, requested:

Compensatory Damages	\$ 41,518.30
Punitive Damages	\$622,774.50
Attorneys' Fees	unspecified
Other Costs	unspecified

Respondents Jefferson Pilot and Longmire requested that Claimant's claim be dismissed with costs of defense assessed against Claimant.

#### **OTHER ISSUES CONSIDERED AND DECIDED**

Upon review of the file and the representations made by Respondents Longmire and Jefferson Pilot and by Claimant, the undersigned arbitrators (the "Panel") determined that Respondent Paul G. Romweber 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 NASD Code of Arbitration Procedure (the "Code"). Letters evidencing service by NASD Dispute Resolution and by Respondents Jefferson Pilot and Longmire are attached as Exhibit 1 to this Award.

#### **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:

1. That Respondent Paul G. Romweber is liable and shall pay to Claimant the sum of

\$8,984.80; no pre-judgment interest is included in this amount.

2. That Respondents Jefferson Pilot and John E. Longmire are jointly and severally liable to Claimant and shall pay Claimant the sum of \$32,533.50; no pre-judgment interest is included in this amount.
3. Claimant's request for punitive damages is denied in its entirety.
4. That the parties shall bear their respective costs including attorneys' fees, except as Fees are specifically addressed below.
5. That any and all requests for relief not specifically addressed herein are denied in their entirety.

#### **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	= \$375
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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 that employed the associated person(s) at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,000
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$3,500

##### **Forum Fees and Assessments**

The arbitrator (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:

One (1) Pre-hearing session with Panel x \$1,200	= \$1,200
Pre-hearing conferences: August 29, 2001	1 session
Two (2) Hearing sessions x \$1,200	= \$2,400
Hearing Date: November 12, 2001	2 session

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Total Forum Fees = \$3,600

The Panel has assessed forum fees in the amount of \$1,800 against Claimant.  
The Panel has assessed forum fees in the amount of \$1,800, jointly and severally, against Respondents Jefferson Pilot and Longmire.

Fee Summary

Claimant is assessed the following fees:

Initial Filing Fee	= \$ 375
Forum Fees	= \$1,800

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Total Fees	= \$2,175
Less payments	= \$1,575

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Balance Due NASD Dispute Resolution, Inc.	= \$ 600
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Respondent Jefferson Pilot is assessed the following fees:

Member Fees	= \$6,100
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Total Fees	= \$6,100
Less payments	= \$2,000

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Balance Due NASD Dispute Resolution, Inc.	= \$4,100
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Respondents Jefferson Pilot and Longmire are jointly and severally assessed the following fee:

Forum Fee	= \$1,800
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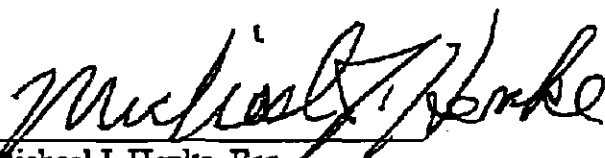
Balance Due NASD Dispute Resolution, Inc.	= \$1,800
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All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Michael J. Henke, Esq.	-	Public Arbitrator, Chairperson
Dawn H. DeHart	-	Public Arbitrator, Panelist
Francis M. Hall	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

  
\_\_\_\_\_  
Michael J. Henke, Esq.  
Public Arbitrator, Chairperson

12-31-01  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Dawn H. DeHart  
Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Francis M. Hall  
Non-Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

December 31, 2001  
\_\_\_\_\_  
Date of Service (For NASD-Dispute Resolution office use only)

Arbitration No. 00-04477

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**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Michael J. Henke, Esq.  
Public Arbitrator, Chairperson

\_\_\_\_\_  
Signature Date

Dawn H. DeHart  
Dawn H. DeHart  
Public Arbitrator, Panelist

December 31, 2001  
Signature Date

\_\_\_\_\_  
Francis M. Hall  
Non-Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

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Michael J. Henke, Esq.  
Public Arbitrator, Chairperson

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Signature Date

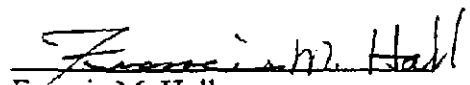
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Dawn H. DeHart  
Public Arbitrator, Panelist

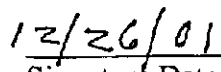
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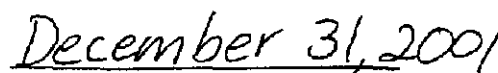
Signature Date

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Francis M. Hall  
Non-Public Arbitrator, Panelist

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Signature Date

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

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COURIER ONE

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# AFFIDAVIT OF SERVICE - (SERVICE BY PRIVATE PROCESS SERVER)

I, the undersigned FRANK CAUCH do hereby certify that I am over eighteen years of age and am not a party to or otherwise interested in the subject matter in controversy, and I further attest:

On the 7th day of Nov 2001, at 445 APT - 4 AM/PM  
 I served Paul Bonwasser  
 At 2034 Timbers Hill Rd. Richmond VA 23235  
 the attached ☐ SDT ☒ Wit Sup ☐ Bill of Complaint ☐ Notice of Hearing  
☐ Motion for Judgment ☐ Warrant in Debt ☐ Other

☐ Personal Service

Being unable to make personal service a copy was delivered in the following manner:

☐ Delivered to a person found in charge of the usual place of business or employment during business hours and giving information of its purport.

Delivered to: POSTED / FRONT DOOR

☐ Delivered to a family member, not a temporary sojourner or guests, age 16 or older, at the usual place of abode of the above named party.

Delivered to: \_\_\_\_\_

☒ Posted on the front door or other such entrance as appears to be the main entrance.

☐ Served on the Secretary of the Commonwealth. Accepted by:

☐ Served on the S.C.C.. Accepted by:

☐ Not found

Process Server Frank W. Cauch

Served by Private - Process Server  
 Courier One Process Servers  
 118 N. Third Street  
 Richmond, VA 23219  
 804-648-7874

Commonwealth of Virginia  
 City of Richmond

Subscribed and sworn before me this 9th day of November, 2001  
 My Commission expires 2001

Angela H. Hark  
 Notary Public

BRICK TOWNHOUSES  
 \* NO APT NO, 2-STORY UNITS  
 Attempt 1st Attempt 230 AM  
 2ND ATTEMPT 445 PM  
 Wrong Address: APT NO (H.)  
 UPSTAIRS UNIT  
 CONFIRMED BY MANAGEMENT  
 (2) Attempts





NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between:

DAVID B. TARDY,

Claimant,

v.

JEFFERSON PILOT SECURITIES CORP.,  
PAUL G. ROMWEBER, and  
JOHN LONGMIRE,

Respondents.

NASD Case Number 00-04477

SUBPOENA

TO: Paul Romweber  
2034 Timbers Hill Road  
Richmond, Virginia 23235-3983

Pursuant to the authority granted under Section 7 of the Federal Arbitration Act, 9 U.S.C. § 7, and Va. Code Ann. § 8.01-581.06 (Michie 1992) (the Uniform Arbitration Act), you are hereby commanded to appear at the hearing of the above case to give testimony. You shall appear on Monday, November 12, 2001 or at such other time as the arbitration panel may decree.

By:

*Michael J. Hank*  
Panel Chairman

We ask for this:

*John S. Barr*  
John S. Barr, Esq.

Anne B. McCray, Esq.

McGuireWoods LLP

901 East Cary Street

One James Center

Richmond, VA 23219

(804) 775-4709

Counsel for Respondents

Hearing Location:  
Omni Hotel Richmond  
100 South 12<sup>th</sup> Street  
Richmond, VA 23219  
(804) 344-7000