

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Teri W. Bergstrom

Claimant

and

00-04823

Dallas, Texas

Lincoln Financial Advisors Corp., Lincoln National Life Insurance Company,

Lincoln Life & Annuity Distributors, Inc., Mike Hemp

Respondents

REPRESENTATION OF PARTIES

Teri W. Bergstrom ("Claimant") was represented by Charles C. Sanders, Esq., Law Offices of Charles C. Sanders, located in Austin, Texas.

Lincoln Financial Advisors Corp., Lincoln National Life Insurance Company, Lincoln Life & Annuity Distributors, Inc., Mike Hemp ("Respondents") was represented by Kevin M. Sadler, Esq., Baker Botts, LLP, located in Austin, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about October 31, 2000. The Amended Statement of Claim was filed on or about May 3, 2001. Submission Agreement of Claimant Teri W. Bergstrom was signed on October 27, 2000.

Statement of Answer was filed by Respondent Lincoln Financial Advisors Corp., Lincoln National Life Insurance Company, Lincoln Life & Annuity Distributors, Inc., Mike Hemp on or about December 27, 2000. Statement of Amended Answer was filed by Respondent Lincoln Financial Advisors Corp., Lincoln National Life Insurance Company, Lincoln Life Annuity Distributors, Inc., Mike Hemp on or about July 20, 2001. Submission Agreement of Respondents Lincoln Financial Advisors Corp., Lincoln National Life Insurance Company, Lincoln Life Annuity Distributors, Inc. was signed on December 21, 2000. Submission Agreement of Respondent Mike Hemp was signed on January 4, 2001.

CASE SUMMARY

Claimant alleged that she resigned her position as a contract sales representative for Respondents in reliance upon assurances that she could take all of her business with her to another company. She alleged causes of action including: Breach of Contract; Misrepresentation and Fraud; Promissory Estoppel; Breach of a duty of good faith and fair dealing; Tortious Interference with Contractual Relations; Civil Conspiracy; the Texas Tort of Outrage.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that Claimant voluntarily terminated her relationship with Respondents and no one from

Respondents made her any promise or offered her any inducement to do so. The Respondents asserted affirmative defenses including the following: Claimant has no legally recognized claim; Claimant fails to state a claim under Contract or Promissory Estoppel; Claimant's Claim is barred by the Statute of Limitations; Respondents Communications with its Clients is Justified and Privileged; Claimant Failed to Mitigate her damages, if any.

RELIEF REQUESTED

Claimant initially requested an award in the amount of \$483, 000.00, and interest, attorney's fees, and other costs. In Claimant's request for relief at hearing and in her amended pleading, she sought an award of \$323, 672.00 plus interest, attorney's fees and other costs.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & 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. In either case, the parties have agreed to receive conformed copies of the award while the originals remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, if any, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- (1). That all claims and requests for relief made by Claimant Teri Bergstrom against Respondents Lincoln Financial Advisors Corp., Lincoln National Life Ins. Co., Lincoln Life & Annuity Distributors Inc. and Mike Hemp are hereby dismissed and denied in their entirety.
- (2). That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
- (3). That other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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 = \$300

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 Lincoln Financial Advisors Corporation.

Member surcharge = \$1,500.00

Pre-hearing process fee = \$600.00

Hearing process fee = \$2,500.00

Forum Fees and Assessments

The Arbitration Panel assesses 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 arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$1,125.00 = \$2,250.00

Pre-hearing conferences: March 22, 2001 1 session

July 12, 2001 1 session

Four (4) Hearing sessions x \$1,125.00 = \$4,500.00

Hearing Dates: July 26, 2001 2 sessions

July 27, 2001 2 sessions

Total Forum Fees: = \$6,750.00

The Arbitration Panel has assessed \$6,750.00 of the forum fees to Lincoln Financial Advisors Corporation.

Fee Summary

Claimant, Teri Bergstrom, shall be and hereby is liable for:

Initial Filing Fee = \$300.00

Forum Fees = \$00.00

Total Fees = \$300.00

Less payments = \$1,425.00

Refund Due Claimant: = \$1,125.00

Respondent, Lincoln Financial Advisors Corp., shall be and hereby is liable for:

Member Fees = \$4,600.00

Forum Fees = \$6,750.00

Total Fees = \$11,350.00

Less payments = \$2,100.00

Balance Due NASD Dispute Resolution, Inc. = \$9,250.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

(Dolores Martin) - Non-Public
(Lisa R. Browning) - Non-Public Arbitrator, Presiding Chair
(Henry Herman) - Non-Public Arbitrator

Concurring Arbitrators:

Dolores Martin
Non-Public Arbitrator

Signature Date

Lisa R. Browning
Non-Public Arbitrator, Presiding Chair

Signature Date

Henry Herman
Non-Public Arbitrator

Signature Date

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(Henry Herman) - Non-Public Arbitrator

Signature Date

Signature Date

Signature Date

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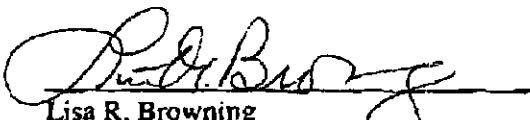
ARBITRATION PANEL

(Dolores Martin) - Non-Public, ~~Presiding Chair~~
(Lisa R. Browning) - Non-Public Arbitrator
(Henry Herman) - Non-Public Arbitrator

Concurring Arbitrators:

Dolores Martin
Non-Public Arbitrator, ~~Presiding Chair~~

Signature Date


Lisa R. Browning
Non-Public Arbitrator, *Presiding*
Chair

9/21/2001
Signature Date

Henry Herman
Non-Public Arbitrator

Signature Date

ARBITRATION PANEL

(Dolores Martin) - Non-Public, Presiding Chair
(Lisa R. Browning) - Non-Public Arbitrator
(Henry Herman) - Non-Public Arbitrator

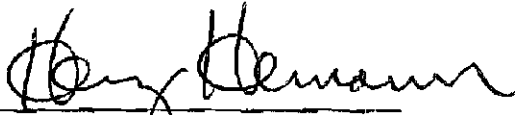
Concurring Arbitrators:

Dolores Martin
Non-Public Arbitrator, Presiding Chair

Signature Date

Lisa R. Browning
Non-Public Arbitrator

Signature Date


Henry Herman
Non-Public Arbitrator

9-21-01
Signature Date