

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Charles Robert Dadds

Case Number: 01-01556

Names of the Respondents

Hearing Site: Philadelphia, PA

Nationwide Insurance Enterprises
Nationwide Insurance Company
Nationwide Life Insurance Company
Nationwide Financial Services, Inc.
Nationwide General Insurance Company
Nationwide Mutual Insurance Company
Nationwide Mutual Fire Insurance Company
Nationwide Property and Casualty Insurance Company
Nationwide Variable Life Insurance Company
Colonial Life Insurance Company of California
Heritage Securities, Inc.
Dimon R. McFerson
Galen R. Barnes
Richard D. Crabtree
Joseph J. Gasper
Robert A. Oakley
Robert J. Woodward, Jr.
Joseph Schleppe

REPRESENTATION OF PARTIES

Claimant Charles Robert Dadds, hereinafter referred to as "Claimant" represented himself.

Respondents Nationwide Insurance Enterprises ("Nationwide Enterprises"), Nationwide Insurance Company ("Nationwide Insurance"), Nationwide Life Insurance Company ("Nationwide Life"), Nationwide Financial Services, Inc. ("Nationwide Financial"), Nationwide General Insurance Company ("Nationwide General"), Nationwide Mutual Insurance Company ("Nationwide Mutual"), Nationwide Mutual Fire Insurance Company ("Nationwide Mutual Fire"), Nationwide Property and Casualty Insurance Company ("Nationwide Property"), Nationwide Variable Life Insurance Company ("Nationwide Variable"), Colonial Life Insurance Company of California ("Colonial"), Heritage Securities, Inc. ("Heritage"), Dimon R. McFerson ("McFerson"), Galen R. Barnes ("Barnes"), Richard D. Crabtree ("Crabtree"), Joseph J. Gasper ("Gasper"), Robert A. Oakley ("Oakley"), Robert J. Woodward, Jr. ("Woodward"), and Joseph Schleppe ("Schleppe"), hereinafter collectively referred to as "Respondents", were represented by Daniel T. Donovan, Esq. and Mark E. McKane, Esq., Kirkland & Ellis, Washington, District of Columbia.

CASE INFORMATION

Statement of Claim filed on March 20, 2001.
Amended Statement of Claim filed on April 19, 2001.
Reply to Respondents' Answer filed by Claimant on July 23, 2001.
Claimant signed the Uniform Submission Agreement on March 22, 2001 and April 19, 2001.

Statement of Answer filed by Respondents on July 3, 2001.
Respondent Nationwide Enterprises did not file the Uniform Submission Agreement.
Respondent Nationwide Insurance did not file the Uniform Submission Agreement.
Respondent Nationwide Life did not file the Uniform Submission Agreement.
Respondent Nationwide Financial did not file the Uniform Submission Agreement.
Respondent Nationwide General did not file the Uniform Submission Agreement.
Respondent Nationwide Mutual did not file the Uniform Submission Agreement.
Respondent Nationwide Mutual Fire did not file the Uniform Submission Agreement.
Respondent Nationwide Property did not file the Uniform Submission Agreement.
Respondent Nationwide Variable did not file the Uniform Submission Agreement.
Respondent Colonial did not file the Uniform Submission Agreement.
Respondent Heritage did not file the Uniform Submission Agreement.
Respondent McPerson signed the Uniform Submission Agreement on June 30, 2001.
Respondent Barnes signed the Uniform Submission Agreement on June 22, 2001.
Respondent Crabtree signed the Uniform Submission Agreement on July 2, 2001.
Respondent Gasper signed the Uniform Submission Agreement on June 18, 2001.
Respondent Oakley signed the Uniform Submission Agreement.
Respondent Woodward signed the Uniform Submission Agreement on June 22, 2001.
Respondent Schleppe did not file the Uniform Submission Agreement.

Motion for Judgment on the Pleadings filed by Claimant on July 23, 2001.

Motion to Dismiss filed by Respondents McPerson, Barnes, Crabtree, Gasper, Oakley, Woodward and Schleppe on July 3, 2001.
Supplemental Memorandum in Support of Its Motion For Summary Dismissal filed by Respondents on January 30, 2002.
Affidavit in Response to Respondents' Supplemental Memorandum in Support of Its Motion to Dismiss filed by Claimant on February 12, 2002.
Reply Memorandum to Dadds' Affidavit filed by Respondents on February 21, 2002.

Motion to Dismiss, or in the Alternative, Stay Dadds' Claim Against Respondents For Failure to Comply with the NASD Award filed by Respondents on March 20, 2002.

Request to reconsider June 6, 2002 Order filed by Claimant on November 12, 2002.
Response to request to reconsider June 6, 2002 Order filed by Respondents on February 17, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract and breach of trust. The causes of action relate to Claimant's pension fund.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim; Pennsylvania law bars economic recovery in tort for an alleged loss covered under breach of contract claim; and, claim preclusion.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 242,464.40
Punitive Damages	\$ 727,393.20
Other Costs	amount unspecified

Respondents requested that the claims be dismissed and that the Panel award their costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On May 24, 2002, the Panel denied Respondents' Motion for Summary Dismissal.

On May 24, 2002, the Panel granted Respondents' Motion to Dismiss Respondents McFerson, Barnes, Crabtree, Gasper, Oakley, Woodward and Schleppi.

On June 6, 2002, the Panel granted Respondents' Motion to Dismiss the remaining Respondents.

On May 5, 2003, the Panel denied Claimant's request to reconsider its June 6, 2002 Order.

Respondents Nationwide Enterprises, Nationwide Insurance, Nationwide Life, Nationwide Financial, Nationwide General, Nationwide Mutual, Nationwide Mutual Fire, Nationwide Property, Nationwide Variable, Colonial, Heritage, and Schleppi did not file with NASD Dispute Resolution properly executed submissions to arbitration and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

AWARD

After considering the pleadings, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondents are dismissed in their entirety with prejudice to the refilling of same;

2. The parties shall bear their respective costs, except as to costs addressed above and Fees specifically addressed below; and,
3. Any and all relief not specifically addressed herein, including punitive damages, is 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 = \$ 375.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Nationwide Advisory Services, Inc. employed the associated persons and Heritage is a party.

Nationwide Advisory Services, Inc.

Member surcharge	= \$ 2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 3,500.00

Respondent Heritage

Member surcharge	= \$ 2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 3,500.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$ 1,200.00	= \$ 1,200.00
Pre-hearing conference: January 9, 2002 1 session	

Total Forum Fees	= \$ 1,200.00
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1. The Panel has assessed \$ 600.00 of the forum fees to Claimant.
2. The Panel has assessed \$ 600.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is assessed:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 600.00

Total Fees	= \$ 975.00
Less payments	= \$ 1,769.50

Refund Due Claimant	= \$ 794.50
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2. Nationwide Advisory Services, Inc. is assessed:

Member Fees	= \$ 6,100.00
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Total Fees	= \$ 6,100.00
Less payments	= \$ 6,100.00

Balance Due NASD Dispute Resolution	= \$ 0.00
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3. Respondent Heritage is assessed:

Member Fees	= \$ 6,100.00
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Total Fees	= \$ 6,100.00
Less payments	= \$ 0.00

Balance Due NASD Dispute Resolution	= \$ 6,100.00
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3. Respondents are jointly and severally assessed:

Forum Fees	= \$ 600.00
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Total Fees	= \$ 600.00
Less payments	= \$ 194.50

Balance Due NASD Dispute Resolution	= \$ 405.50
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Jerry G. Kos

E. Howard Goodwin, Jr.

Richard A. Purkiss

- Non-Public Arbitrator, Chairperson
- Non-Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


Jerry G. Kos
Non-Public Arbitrator, Chairperson

May 21, 2003
Signature Date

E. Howard Goodwin, Jr.
Non-Public Arbitrator, Panelist

Signature Date:

Richard A. Purkiss
Non-Public Arbitrator, Panelist


Signature Date

May 22, 2003
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Jerry G. Kos
Non-Public Arbitrator, Chairperson

Signature Date:


E. Howard Goodwin, Jr.
Non-Public Arbitrator, Panelist

5/22/03
Signature Date:

Richard A. Purkiss
Non-Public Arbitrator, Panelist

Signature Date:

MAY 22, 2003
Date of Service (For NASD Dispute Resolution office use only)

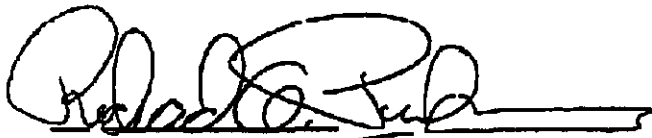
Concurring Arbitrators' Signatures

Jerry G. Kos
Non-Public Arbitrator, Chairperson

Signature Date

E. Howard Goodwin, Jr.
Non-Public Arbitrator, Panelist

Signature Date


Richard A. Purcias
Non-Public Arbitrator, Panelist


Signature Date


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