

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Joanne Irene Kegel

and

01-02622
Minneapolis, Minnesota

Name of Respondents

Walnut Street Securities, Inc.
Eugene R. Adams, Jr.
The Equitable Life Assurance Society of the United States

REPRESENTATION OF PARTIES

Joanne Irene Kegel ("**Claimant**") was represented by Daniel D. Hill, Esq., Hill Law Office, Minneapolis, Minnesota.

Walnut Street Securities, Inc. ("**Respondent Walnut Street**") and Eugene R. Adams, Jr. ("**Respondent Adams**") were represented by Thomas J. Shroyer, Esq., Moss & Barnett P.A., Minneapolis, Minnesota.

The Equitable Life Assurance Society of the United States ("**Respondent Equitable**") was represented by Margretta J. Bowen, Esq., The Equitable Life Assurance Society of the United States, New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about May 10, 2001. Letter amending claim was filed on or about June 4, 2001. Submission Agreement of Claimant Joanne Irene Kegel was signed on May 2, 2001.

Joint Statement of Answer was filed by Respondents Walnut Street Securities, Inc. and Eugene R. Adams, Jr. on or about August 14, 2001. Submission Agreement of Respondent Walnut Street Securities, Inc. was signed on June 14, 2001. Submission Agreement of Respondent Eugene R. Adams, Jr. was signed on July 12, 2001.

Statement of Answer was filed by Respondent The Equitable Life Assurance Society of the United States on or about August 6, 2001. Amended Statement of Answer of Respondent The Equitable Life Assurance Society of the United States was filed on or about August 9, 2001. Submission

Agreement of Respondent The Equitable Life Assurance Society of the United States was signed on July 27, 2001 by Margretta Bowen.

CASE SUMMARY

Claimant alleged that Respondent Adams moved all of her cash savings into two unsuitable Equitable variable annuities without her permission. It was also alleged by Claimant that the signatures that appear on the annuity contracts are not hers, but forgeries.

Respondents Walnut Street and Adams denied the allegations set forth in the Statement of Claim. These Respondents specifically stated that Claimant is a licensed securities professional who contended that she was somehow duped into purchasing securities that she did not want and were not in her best interests and has also attempted to have the sales commissions on her investments retroactively paid to her.

Respondent Equitable denied any allegations of wrongdoing and stated that the Claimant's signature of the applications for the annuity contracts at issue does not support the allegations of the Claimant. In addition, Respondent Equitable stated that Claimant also submitted a letter dated May 16, 2000, wherein the Claimant rescinds her previous letters requesting the return of her contributions under the annuity contracts.

RELIEF REQUESTED

In her letter amending the Statement of Claim, Claimant requested an award of compensatory damages in the amount of \$100,000.00, interest, costs and unspecified punitive damages.

Respondents Walnut Street and Adams requested that the Panel deny Claimant's claim in its entirety.

Respondent Equitable requested that the claim be dismissed with no award whatsoever to the Claimant.

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 original(s) 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, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted in this matter shall be and hereby are 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. 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 = \$225.00

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 firms are Walnut Street Securities, Inc.

Member surcharge = \$1,000.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$1,500.00

Adjournment Fees

Adjournments requested during these proceedings:

March 19-20, 2002 hearing dates, adjournment requested by Claimant = \$750.00

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 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 (2) Pre-hearing session(s) with Panel x \$750.00 | = \$1,500.00 |
| Pre-hearing conference(s): January 9, 2002 1 session | |
| March 19, 2002 1 session | |
| Three (3) Hearing sessions x \$750.00 | = \$2,250.00 |
| Hearing Date(s): May 29, 2002 2 sessions | |
| <u>May 30, 2002</u> <u>1 session</u> | |
| Total Forum Fees | = \$3,750.00 |

The Arbitration Panel has assessed \$1,875.00 of the forum fees to Joanne Irene Kegel.

The Arbitration Panel has assessed \$937.50 of the forum fees jointly and severally to Walnut Street Securities, Inc. and Eugene R. Adams, Jr.

The Arbitration Panel has assessed \$937.50 of the forum fees to The Equitable Life Assurance Society of the United States.

Fee Summary

Claimant, Joanne Irene Kegel, shall be and hereby is liable for:

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|---|---------------------|
| Initial Filing Fee | = \$ 225.00 |
| Adjournment Fee | = \$ 750.00 |
| <u>Forum Fees</u> | = <u>\$1,875.00</u> |
| Total Fees | = \$2,850.00 |
| <u>Less payments</u> | = <u>\$ 975.00</u> |
| Balance Due NASD Dispute Resolution, Inc. | = \$1,875.00 |

Respondent, Walnut Street Securities, Inc., shall be and hereby is liable for:

| | |
|---|---------------------|
| Member Fees | = \$3,100.00 |
| <u>Forum Fees</u> | = <u>\$ 0.00</u> |
| Total Fees | = \$3,100.00 |
| <u>Less payments</u> | = <u>\$3,100.00</u> |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 0.00 |

Respondent, The Equitable Life Assurance Society of the United States, shall be and hereby is liable for:

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|---|-------------|
| <u>Forum Fees</u> | = \$ 937.50 |
| Total Fees | = \$ 937.50 |
| <u>Less payments</u> | = \$ 0.00 |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 937.50 |

Respondents, Walnut Street Securities, Inc., and Eugene R. Adams, Jr., shall be and hereby are jointly and severally liable for:

| | |
|---|-------------|
| <u>Forum Fees</u> | = \$ 937.50 |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 937.50 |

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Douglas G. Plank - Public Arbitrator, Presiding Chair
Charles A. Hoffman, Esq. - Public Arbitrator
Daniel E. Murphy - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Douglas G. Plank
Douglas G. Plank
Public Arbitrator, Presiding Chair

June 10, 2002
Signature Date

/s/ Charles A. Hoffman
Charles A. Hoffman, Esq.
Public Arbitrator

June 11, 2002
Signature Date

/s/ Daniel E. Murphy
Daniel E. Murphy
Non-Public Arbitrator

June 11, 2002
Signature Date

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Ed Anderson Fox

NASD Dispute Resolution, Inc.
 Arbitration No. 01-02622
 Award Page 5 of 5

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 Charles A. Hoffman, Esq. - Public Arbitrator
 Daniel E. Murphy - Non-Public Arbitrator

Concurring Arbitrators:

Douglas G. Plank
 Douglas G. Plank
 Public Arbitrator, Presiding Chair

6/10/02
 Signature Date

Charles A. Hoffman, Esq.
 Charles A. Hoffman, Esq.
 Public Arbitrator

Signature Date

Daniel E. Murphy
 Daniel E. Murphy
 Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 01-02622
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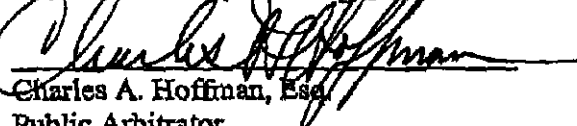
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Concurring Arbitrators:

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Public Arbitrator, Presiding Chair


Charles A. Hoffman, Esq.
Public Arbitrator

Signature Date

6/11/2002
Signature Date

Daniel E. Murphy
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chair

Signature Date

Charles A. Hoffman, Esq.
Public Arbitrator

Signature Date

Daniel E. Murphy
Daniel E. Murphy
Non-Public Arbitrator

6/11/02
Signature Date