

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Carolina Nunez

Case Number: 02-04831

Name of the Respondent
AXA Advisors, LLC

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For Carolina Nunez ("Nunez"), hereinafter referred to as "Claimant": Steven R. Reininger, Esq., Rasco Reininger Perez & Esquenazi, P.L., Coral Gables, Florida.

For AXA Advisors, LLC ("AXA"), hereinafter referred to as "Respondent": Lee Barringer, Miller, Canfield, Paddock & Stone, P.L.C., Detroit, Michigan and Russell A. Divak, Counsel, AXA Financial, Inc., Law Department, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: August 15, 2002.

Claimant signed the Uniform Submission Agreement.

Statement of Answer filed by Respondent on or about: November 1, 2002.

Respondent signed the Uniform Submission Agreement: October 30, 2002.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violation of Florida Statutes Chapter 517; 2) violation of NASD's Rules of Fair Practice and NASD Conduct; 3) negligence; 4) breach of fiduciary duty; and 5) failure to supervise. The causes of action relate to the purchases of variable annuities issued by Equitable Life Assurance Society which contained mutual fund subaccounts.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested compensatory damages of \$250,000.00, plus interest, attorney's fees, the costs of this proceeding, expert witness fees and such other relief as is deemed just and proper.

Respondent requested that all claims against it be dismissed, that it be awarded its attorney's fees incurred in defending this proceeding and such other relief as is deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be issued in counterpart copies.

AWARD

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

1. Respondent is liable and shall pay to Claimant the sum of \$104,000.00 in compensatory damages, plus interest at the rate of eight percent (8%) per annum from May 9, 2003 through the date of payment of the Award. Damages are awarded as a result of Respondent's negligence in failing to consider Claimant's lack of knowledge and Respondent's abandonment of Claimant.
2. Claimant's requests for relief pursuant to Florida Statutes Chapter 517 are specifically denied.
3. Any and all claims for relief not specifically addressed herein, including the parties' requests for attorney's fees, are 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 | = \$300.00 |
|--------------------------|------------|

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 persons at the time of the events giving rise to the dispute. Accordingly, AXA Advisors, LLC is a party.

| | |
|-------------------------|--------------|
| Member surcharge | = \$1,700.00 |
| Pre-hearing process fee | = \$ 750.00 |
| Hearing process fee | = \$2,750.00 |

Adjournment Fees

No adjournments were granted during these proceedings for which fees were assessed:

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location

and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

| | |
|--|---------------|
| Three (3) Pre-hearing sessions with Panel @ \$1,125.00 | = \$ 3,375.00 |
| Pre-hearing conferences: | |
| February 6, 2003 | 1 session |
| March 11, 2003 | 1 session |
| April 9, 2003 | 1 session |
| Seven (7) Hearing sessions @ \$1,125.00 | = \$ 7,875.00 |
| Hearing Dates: | |
| May 7, 2003 | 2 sessions |
| May 8, 2003 | 3 sessions |
| May 9, 2003 | 2 sessions |
| Total Forum Fees | = \$11,250.00 |

The Panel has assessed the total forum fees of \$11,250.00 to Respondent AXA.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative fees were incurred during this proceeding.

Fee Summary

| | |
|-------------------------------------|---------------|
| 1. Claimant is solely liable for: | |
| Initial Filing Fee | = \$ 300.00 |
| Total Fees | = \$ 300.00 |
| Less payments | = \$ 300.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |
| 2. Respondent is solely liable for: | |
| Member Fees | = \$ 5,200.00 |
| Forum Fees | = \$11,250.00 |
| Total Fees | = \$16,450.00 |
| Less payments | = \$ 2,450.00 |

Balance Due NASD Dispute Resolution = \$14,000.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

| | | |
|---------------------------------|---|---|
| <i>Bernard J. Kune</i> | - | <i>Public Arbitrator, Presiding Chairperson</i> |
| <i>Melvin Jarolem</i> | - | <i>Public Arbitrator</i> |
| <i>J. Guillermo Castro, MSM</i> | - | <i>Non-Public Arbitrator</i> |

Concurring Arbitrators' Signatures

_____/s/_____
Bernard J. Kune
Public Arbitrator, Presiding Chairperson

Signature Date

_____/s/_____
Melvin Jarolem
Public Arbitrator

Signature Date

_____/s/_____
J. Guillermo Castro, MSM
Non-Public Arbitrator

Signature Date

June 6, 2003

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

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| <i>J. Guillermo Castro, MSM</i> | • | <i>Non-Public Arbitrator</i> |

Concurring Arbitrators' Signatures

Bernard J. Kune

Bernard J. Kune
Public Arbitrator, Presiding Chairperson

6/5/2003
Signature Date

Melvin Jarolem
Public Arbitrator

Signature Date

J. Guillermo Castro, MSM
Non-Public Arbitrator

Signature Date

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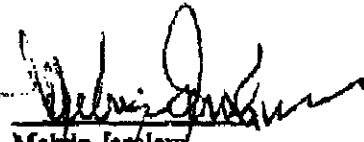
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Concurring Arbitrators' Signatures

Bernard J. Kune
Public Arbitrator, Presiding Chairperson

Signature Date



Melvin Jarolem
Public Arbitrator

6-6-03

Signature Date

J. Guillermo Castro, MSM
Non-Public Arbitrator

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Public Arbitrator, Presiding Chairperson

Signature Date

Melvin Jarolem
Public Arbitrator

Signature Date



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Non-Public Arbitrator



Signature Date

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