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**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Names of the Claimants

Homer Eldridge  
Judith Eldridge

Case Number: 02-05027

Names of the Respondents

Jefferson Pilot Securities Corp.  
Edwin Budd, Sr.

Hearing Site: Boca Raton, Florida

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Nature of the Dispute: Customer vs. Member and Associated Person.

**REPRESENTATION OF PARTIES**

For Homer Eldridge ("HE") and Judith Eldridge ("JE"), hereinafter collectively referred to as "Claimants":  
Alan J. Foxman, Esq., Alan J. Foxman, PA, Boca Raton, Florida.

For Jefferson Pilot Securities Corp. ("Jefferson") and Edwin Budd, Sr. ("Budd"), hereinafter collectively referred to as "Respondents": Lloyd R. Schwed, Esq., Kubicki Draper, West Palm Beach, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: August 23, 2002.

Claimants signed the Uniform Submission Agreement: August 23, 2002.

Statement of Answer filed by Respondents on or about: December 27, 2002.

Respondent Budd signed the Uniform Submission Agreement: December 14, 2002.

Respondent Jefferson did not file an executed Uniform Submission Agreement.

**CASE SUMMARY**

Claimants filed a Statement of Claim against Respondents based upon an alleged misrepresentation made by Respondent Budd in connection with Claimants' purchase of an American Skandia variable annuity.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In addition, Respondents alleged that Claimants were sophisticated investors who were well aware of the risks associated with the annuity and were properly apprised of the features and risks of the annuity.

**RELIEF REQUESTED**

Claimants requested rescission of Claimants' initial investment in the amount of \$110,392.05, or alternatively damages in the approximate amount of \$71,000.00, plus interest, costs, and attorneys' fees.

**OTHER ISSUES CONSIDERED AND DECIDED**

Respondent Jefferson did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

On or about November 12, 2003, the parties filed with NASD Dispute Resolution a Notice of Settlement.

On or about December 29, 2003, the parties filed with NASD Dispute Resolution a proposed Stipulated Award for review and approval by the Panel.

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

**AWARD**

After considering the pleadings and the proposed Stipulated Award submitted by the parties, and upon learning of the parties' Settlement Agreement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel accepts the Claimants' withdrawal of their claims, and Respondents are dismissed from this matter with prejudice.

The Panel recommends that all references to the above-captioned arbitration be expunged from Respondent Budd's public, non-public, and archive registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Budd must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

The parties have agreed that they will bear their own costs and expenses.

**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
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent Jefferson is a member firm and a party.

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

Hearing process fee	= \$2,750.00
Total Member Fees	= \$5,200.00

**Adjournment Fees**

No adjournments were requested in this matter.

**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.

Injunctive relief fees were not assessed in this matter.

**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 the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: June 5, 2003 1 session	
Total Forum Fees	= \$1,125.00

Pursuant to the agreement of the parties, the Panel has assessed forum fees of \$562.50 jointly and severally to Claimants, and \$562.50 jointly and severally to Respondents.

**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.

There were no administrative costs incurred in this matter.

**Fee Summary**

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Retained Hearing Session Deposit pursuant to Rule 10332(f) of the Code	= \$ 562.50
Total Fees	= \$1,425.00
Less Payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Jefferson is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less Payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 562.50
Total Fees	= \$ 562.50
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 562.50

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

**ARBITRATION PANEL**

Patricia Murphy	-	Public Arbitrator, Presiding Chairperson
Gloria North	-	Public Arbitrator
Steven Hurst	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_/s/\_\_\_\_\_  
Patricia Murphy  
Public Arbitrator, Presiding Chairperson

January 12, 2004  
Signature Date

\_\_\_\_\_/s/\_\_\_\_\_  
Gloria North  
Public Arbitrator

January 14, 2004  
Signature Date

\_\_\_\_\_/s/\_\_\_\_\_  
Steven Hurst  
Non-Public Arbitrator

January 13, 2004  
Signature Date

January 28, 2004  
Date of Service (For NASD Dispute Resolution office use only)

Respondent Jefferson is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less Payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

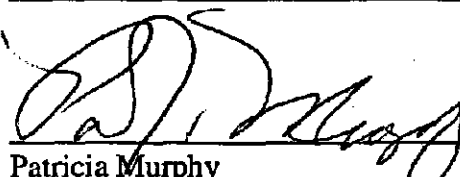
Forum Fees	= \$ 562.50
Total Fees	= \$ 562.50
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 562.50

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Patricia Murphy	-	Public Arbitrator, Presiding Chairperson
Gloria North	-	Public Arbitrator
Steven Hurst	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
\_\_\_\_\_  
Patricia Murphy  
Public Arbitrator, Presiding Chairperson

1/12/04  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Gloria North  
Public Arbitrator

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

\_\_\_\_\_  
Steven Hurst  
Non-Public Arbitrator

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

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

Respondent Jefferson is solely liable for:

<u>Member Fees</u>	= \$5,200.00
<u>Total Fees</u>	= \$5,200.00
<u>Less Payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 562.50
<u>Total Fees</u>	= \$ 562.50
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 562.50

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**ARBITRATION PANEL**

Patricia Murphy	-	Public Arbitrator, Presiding Chairperson
Gloria North	-	Public Arbitrator
Steven Hurst	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Patricia Murphy  
Public Arbitrator, Presiding Chairperson

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

Gloria O. North  
Gloria North  
Public Arbitrator

1-14-04  
Signature Date

\_\_\_\_\_  
Steven Hurst  
Non-Public Arbitrator

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

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

Respondent Jefferson is solely liable for:

<u>Member Fees</u>	= \$5,200.00
<u>Total Fees</u>	= \$5,200.00
<u>Less Payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 562.50
<u>Total Fees</u>	= \$ 562.50
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 562.50

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

ARBITRATION PANEL

Patricia Murphy	-	Public Arbitrator, Presiding Chairperson
Gloria North	-	Public Arbitrator
Steven Hurst	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

\_\_\_\_\_  
Patricia Murphy  
Public Arbitrator, Presiding Chairperson

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

\_\_\_\_\_  
Gloria North  
Public Arbitrator

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

  
\_\_\_\_\_  
Steven Hurst  
Non-Public Arbitrator

1-13-2004  
\_\_\_\_\_  
Signature Date

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