

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Alberto Santos

and

Case Number: 02-06835
Hearing Site: Houston, Texas

Name of Respondent

Cuna Mutual Life Insurance Company

NATURE OF DISPUTE

Associated Person v. Non Member

REPRESENTATION OF PARTIES

Alberto Santos ("**Claimant**") was represented by Arthur G. Guzman, Esq., of San Antonio, Texas.

Cuna Mutual Life Insurance Company ("**Respondent**") was represented by Lawrence D. Smith, Esq., of Ogletree, Deakins, Nash, Smoak & Stewart, of San Antonio, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about November 12, 2002.

The Submission Agreement of Claimant Alberto Santos was signed on or about December 5, 2002.

The Statement of Answer was filed by Respondent Cuna Mutual Life Insurance Company on or about March 18, 2003.

The Submission Agreement of Respondent Cuna Mutual Life Insurance Company was signed on or about March 12, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of employment contract and defamation. The causes of action relate to the termination of Claimant and an alleged defamatory statement added to his Form U-5.

Unless specifically admitted in its Answer, Respondent Cuna Mutual Life Insurance Company denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim fails to state a claim upon which relief can be granted; alleged defamatory statements made in the Form U-5 submitted by Respondent concerning Claimant are privileged as a matter of law; the statements made in the Form U-5 were made in good faith and based upon information gathered during an investigation regarding Claimant's transactions with specified customers; and no contract existed between Claimant and Respondent that restricted the ability of Respondent to discharge the Claimant.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 350,000
Punitive/Exemplary Damages	\$ 150,000
Interest	Unspecified
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

On October 3, 2002, the United States District Court, Western District of Texas, San Antonio Division, issued an Order Compelling Arbitration. The Court determined that the Claimant, Alberto Santos, agreed to arbitrate his dispute with the Respondent, Cuna Mutual Life Insurance Company, and that the Claimant's claims are covered by the Arbitration Agreement.

At hearing, Respondent's counsel made an oral Motion for a Directed Verdict. The Panel denied this motion.

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 NASD Dispute Resolution ("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.) Claimant's claims, each and all, are hereby denied and dismissed with prejudice;
- 2.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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 person at the time of the events giving rise to the dispute. In this matter, the member firm is Cuna Brokerage Services, Inc.

Member surcharge = \$1700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$2750.00

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 \$1125.00	= \$2250.00
Pre-hearing conferences: August 20, 2003	1 session
December 1, 2003	1 session
Three (3) Hearing sessions x \$1125.00	= \$3375.00
Hearing Dates: February 3, 2004	2 sessions
February 4, 2004	1 session
Total Forum Fees	= \$5625.00

The Arbitration Panel has assessed \$5625.00 of the forum fees to Cuna Mutual Life Insurance Company.

FEE SUMMARY

Claimant, Alberto Santos, is liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 1750.00
Refund Due from NASD Dispute Resolution	= \$ 1450.00

Respondent, Cuna Brokerage Services, Inc., is liable for:

Member Fees	= \$ 5200.00
Total Fees	= \$ 5200.00
Less payments	= \$ 2450.00
Balance Due NASD Dispute Resolution	= \$ 2750.00

Respondent, Cuna Mutual Life Insurance Company, is liable for:

Forum Fees	= \$ 5625.00
Total Fees	= \$ 5625.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 5625.00

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

ARBITRATION PANEL

Sherry R. Wetsch, Esq. - Public Arbitrator, Presiding Chair
Lynne M. Gomez, Esq. - Public Arbitrator
Christine L. Stetson, JD - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Sherry R. Wetsch, Esq.
Sherry R. Wetsch, Esq.
Public Arbitrator, Presiding Chair

February 11, 2004
Signature Date

/s/ Lynne M. Gomez, Esq.
Lynne M. Gomez, Esq.
Public Arbitrator

February 9, 2004
Signature Date

/s/ Christine L. Stetson, JD
Christine L. Stetson, JD
Non-Public Arbitrator


February 10, 2004
Signature Date

February 11, 2004
Date of Service (For NASD office use only)

ARBITRATION PANEL

Sherry R. Wetsch, Esq. - Public Arbitrator, Presiding Chair
Lynne M. Gomez, Esq. - Public Arbitrator
Christine L. Stetson, JD - Non-Public Arbitrator

Concurring Arbitrators:



Sherry R. Wetsch, Esq.
Public Arbitrator, Presiding Chair

2-11-04

Signature Date

Lynne M. Gomez, Esq.
Public Arbitrator

Signature Date

Christine L. Stetson, JD
Non-Public Arbitrator

Signature Date


Date of Service (For NASD office use only)

ARBITRATION PANEL

Sherry R. Wetsch, Esq. - Public Arbitrator, Presiding Chair
Lynne M. Gomez, Esq. - Public Arbitrator
Christine L. Stetson, JD - Non-Public Arbitrator

Concurring Arbitrators:

Sherry R. Wetsch, Esq.
Public Arbitrator, Presiding Chair



Lynne M. Gomez, Esq.
Public Arbitrator

Christine L. Stetson, JD
Non-Public Arbitrator

Signature Date

2-9-04

Signature Date

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Sherry R. Wetsch, Esq. - Public Arbitrator, Presiding Chair
Lynne M. Gomez, Esq. - Public Arbitrator
Christine L. Stetson, JD - Non-Public Arbitrator

Concurring Arbitrators:

Sherry R. Wetsch, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Lynne M. Gomez, Esq.
Public Arbitrator

Signature Date



Christine L. Stetson, JD
Non-Public Arbitrator

2-10-04

Signature Date

Date of Service (For NASD office use only)