

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

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In the Matter of the Arbitration Between:

Ronald D. Weeks, Claimant, v. World Group Securities, Inc., World Financial Group, Inc., WMA Securities, Inc., World Marketing Alliance, Inc., S. Hubert Humphrey, Jr., Barry M. Clause, and Bryce D. Peterson, Respondents

Case Number: 02-07659

Hearing Site: Salt Lake City, Utah

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Nature of Dispute: Associated Person v. Members, Associated Persons and Non-Members

**REPRESENTATION OF PARTIES**

For Claimant:

Steve A. Buchwalter, Esq.  
Law Offices of Steve A. Buchwalter  
Encino, California

For Respondents World Group Securities, Inc.,  
World Financial Group, Inc., and  
Bryce Peterson,

Sean N. Egan, Esq.  
Law Offices of Sean N. Egan  
Salt Lake City, Utah

For Respondents Barry M. Clause,  
S. Hubert Humphrey, Jr., WMA  
Securities, Inc., and World Marketing  
Alliance, Inc.

Alan E. Greenberg, Esq.  
Lewis Brisbois Bisgaard & Smith  
LLP  
San Diego, California

**CASE INFORMATION**

Statement of Claim filed: December 3, 2002

Claimant's Uniform Submission Agreement signed: December 2, 2002

Joint Statement of Answer filed by Respondents World Group Securities, Inc. and World Financial Group, Inc.: March 26, 2003

Respondent World Group Securities, Inc.'s Uniform Submission Agreement signed:  
March 20, 2003

Statement of Answer filed by Respondent Bryce D. Peterson: March 26, 2003

Respondent Bryce D. Peterson's Uniform Submission Agreement signed: March 20, 2003

Joint Statement of Answer filed by WMA Securities, Inc., World Marketing Alliance, Inc., S. Hubert Humphrey, Jr., and Barry Clause: April 4, 2003

Respondent WMA Securities, Inc.'s Uniform Submission Agreement signed: March 20, 2003

Respondent World Marketing Alliance, Inc.'s Uniform Submission Agreement signed: February 24, 2003

Respondent S. Hubert Humphrey, Jr.'s Uniform Submission Agreement signed: Undated

Respondent Barry M. Clause's Uniform Submission Agreement signed: February 11, 2003

#### **CASE SUMMARY**

In the Statement of Claim, Claimant alleged employment fraud, violation of Utah Labor Laws, conversion, negligence, tortious interference with contract, and fraudulent transfer.

Respondents, denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

#### **RELIEF REQUESTED**

Claimant requested compensatory damages against all respondents in the sum of \$541,757.00, compensatory damages against World Financial Group, Inc. and World Group Securities in the sum of \$13,000.00, interest, attorney's fees pursuant to the employment agreement with WMAS and WGS, unspecified punitive damages and a finding that Claimant's employment contract was fraudulent and consequently void and unenforceable.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, attorney's fees and costs.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent World Financial Group, Inc. is not a member of the NASD and did not file with the NASD Dispute Resolution a properly executed submission agreement but having answered the claim and was represented by counsel at the hearing, is bound by the determination of the Panel on all issues submitted.

On April 19, 2004, Claimant dismissed with prejudice all claims against Respondents WMA Securities, Inc., World Marketing Alliance, Inc., S. Hubert Humphrey, Jr., and Barry Clause.

On April 19, 2004, Claimant dismissed with prejudice all claims against World Group Securities, Inc., World Financial Group, Inc. and Bryce Peterson, except those claims that arose or relate to Claimant's termination or commissions earned, including charge-backs.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

After considering the pleadings, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents World Group Securities, Inc. and Bryce D. Peterson are jointly and severally liable to and shall pay Claimant compensatory damages in the sum of \$24,684.09
- 2) Respondents World Group Securities, Inc. and Bryce D. Peterson are jointly and severally liable to and shall pay Claimant punitive damages in the sum of \$74,052.63.
- 3) Respondents World Group Securities, Inc. and Bryce D. Peterson are jointly and severally liable to and shall pay Claimant the sum of \$375.00 as reimbursement of the initial claim filing fee.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

### **FEEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 375.00
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### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm World Group Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 4,000.00</u>
<b>Total Member Fees</b>	<b>= \$ 7,000.00</b>

The member firm WMA Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 4,000.00</u>
<b>Total Member Fees</b>	<b>= \$ 7,000.00</b>

### **Adjournment Fees**

The following adjournment fees are assessed:

February 2-6, 2004, adjournment fee assessed to Claimant and Respondents	= \$1,200.00
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### **Forum Fees and Assessments**

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Panel/Chair. The following fees are assessed:

(3) Pre-hearing conference sessions with the Chair @ \$ 450.00/session	= \$1,350.00
Pre-hearing conferences:	
September 16, 2003	1 session
November 11, 2003	1 session
January 23, 2004	1 session
(1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference:	
June 26, 2003	1 session
(6) Hearing sessions @ \$1,200.00/session	= \$ 7,200.00
Hearings:	
April 26, 2004	2 sessions
April 27, 2004	2 sessions
April 28, 2004	2 sessions
<b>Total Forum Fees</b>	<b>= \$ 9,750.00</b>

The Panel assessed \$9,750.00 of the forum fees jointly and severally to Respondents World Group Securities, Inc. and Bryce Peterson.

**Fee Summary**

1. Claimant Ronald D. Weeks is charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Adjournment Fee</u>	<u>= \$ 600.00</u>
Total Fees	= \$ 975.00
<u>Less payments</u>	<u>= \$(2,175.00)</u>
<b>Refund Due</b>	<b>= \$(1,200.00)</b>
  
2. Respondent is World Group Securities, Inc. charged with the following fees and costs:

Member Fees	= \$ 7,000.00
<u>Less payments</u>	<u>= \$(7,000.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>
  
3. Respondent is WMA Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 7,000.00
<u>Less payments</u>	<u>= \$(7,000.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>
  
4. Respondents WMA Securities, Inc., World Marketing Alliance, Inc., S. Hubert Humphrey, Jr., and Barry Clause are charged jointly and severally with the following fees and costs:

Adjournment fee	= \$ 300.00
<u>Less payments</u>	<u>= \$(300.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>
  
5. Respondents World Group Securities, Inc. and Bryce D. Peterson are charged jointly and severally with the following fees and costs:

Adjournment fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 9,750.00</u>
Total Fees	= \$10,050.00
<u>Less payments by World Group Securities</u>	<u>= \$ 600.00</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 9,450.00</b>

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

ARBITRATION PANEL

NASD Dispute Resolution

Arbitration No. 02-07659

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A. Robert Thorup, Esq. - Public Arbitrator, Presiding Chair

Hardin A. Whitney, Esq. - Public Arbitrator

Jesse Stuart Shackelford - Non-Public Arbitrator

Concurring Arbitrators' Signatures



A. Robert Thorup, Esq.  
Chair, Public Arbitrator

May 27, 2004  
Signature Date

Hardin A. Whitney, Esq.  
Public Arbitrator

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Signature Date

Jesse Stuart Shackelford  
Non-Public Arbitrator

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Signature Date

5/28/04  
Date of Service

ARBITRATION PANEL

NASD Dispute Resolution  
Arbitration No. 02-07659  
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A. Robert Thorup, Esq.	-	Public Arbitrator, Presiding Chair
Hardin A. Whitney, Esq.	-	Public Arbitrator
Jesse Stuart Shackelford	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

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A. Robert Thorup, Esq.  
Chair, Public Arbitrator

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Signature Date

  
Hardin A. Whitney, Esq.  
Public Arbitrator

May 28, 2004  
Signature Date

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Jesse Stuart Shackelford  
Non-Public Arbitrator

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Signature Date

5/28/04  
Date of Service

ARBITRATION PANEL

NASD Dispute Resolution  
Arbitration No. 02-07659  
Award Page 6 of 6

A. Robert Thorup, Esq.	-	Public Arbitrator, Presiding Chair
Hardin A. Whitney, Esq.	-	Public Arbitrator
Jesse Stuart Shackelford	-	Non-Public Arbitrator

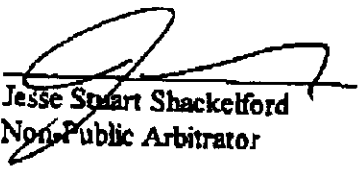
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A. Robert Thorup, Esq.  
Chair, Public Arbitrator

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Signature Date

\_\_\_\_\_  
Hardin A. Whitney, Esq.  
Public Arbitrator

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

  
Jesse Stuart Shackelford  
Non-Public Arbitrator

5-28-04  
Signature Date

5/28/04  
Date of Service