

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

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In the Matter of the Arbitration Between:

Ronald M. Davidson (Claimant) v. Locust Street Securities, Inc. and Charles Robert Spurgeon (Respondents)

Case Number: 03-02859

Hearing Site: Columbus, Ohio

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

**REPRESENTATION OF PARTIES**

Claimant Ronald M. Davidson ("Davidson") hereinafter referred to as "Claimant": David P. Meyer, Esq., David P. Meyer Co., L.P.A., Columbus, OH.

Respondents Locust Street Securities, Inc. ("LSSI") and Charles Robert Spurgeon ("Spurgeon") hereinafter collectively referred to as "Respondents": Andrew J. Dorman, Esq., Janik & Dorman, L.L.P., Cleveland, OH.

**CASE INFORMATION**

Statement of Claim filed on or about: April 16, 2003.

Claimant signed the Uniform Submission Agreement: April 12, 2003.

Joint Statement of Answer filed by Respondents on or about: June 16, 2003.

Respondent LSSI signed the Uniform Submission Agreement: May 15, 2003.

Respondent Spurgeon signed the Uniform Submission Agreement: June 30, 2003.

**CASE SUMMARY**

Claimant asserted the following causes of action: fraud; breach of contract; negligence; breach of fiduciary duty; violation of NASD conduct rules; violation of NYSE rules; and failure to supervise. The causes of action relate to the unsuitable sale of a variable annuity and mutual funds.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

**RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$191,865.00; disgorgement of all profits and commissions; rescission of the Annuity contract; exemplary and punitive damages;

out-of-pocket losses and costs, as appropriate, including expert fees, attorneys' fees and all forum fees; and such other and further relief as the Panel deems just, proper, and equitable.

Respondents requested that the Statement of Claim be dismissed in its entirety, with prejudice; that an award be entered in their favor; that Respondents be awarded their costs and expenses, including attorneys' fees, expenses, and forum fees; and that all references to this matter be expunged from public record.

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

On or about May 4, 2004, Claimant notified NASD Dispute Resolution that the parties settled this matter and would be requesting a Stipulated Award.

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**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Pursuant to the confidential settlement agreement reached between all parties, all claims against Respondents LSSI and Spurgeon are dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Locust Street Securities, Inc.'s and Charles Spurgeon's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent LSSI and Respondent Spurgeon must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. Each party shall bear its own costs and expenses associated with the above-referenced arbitration.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

### **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	= \$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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, Locust Street Securities, Inc. is 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

**Forum Fees and Assessments**

The 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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$2,250.00
Pre-hearing conferences:      October 23, 2003      1 session	
December 16, 2003      1 session	
Total Forum Fees	= \$2,250.00

1. The Panel has assessed \$750.00 of the forum fees against Claimant.
2. The Panel has assessed \$750.00 of the forum fees against Respondent LSSI.
3. The Panel has assessed \$750.00 of the forum fees against Respondent Spurgeon.

**Fee Summary**

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 750.00
Total Fees	= \$1,050.00
Less payments	= \$1,425.00
Refund Due to Claimant	= \$ 375.00

2. Respondent LSSI is solely liable for:

Member Fees	= \$5,200.00
<u>Forum Fees</u>	= \$ 750.00
Total Fees	= \$5,950.00
<u>Less payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 750.00

3. Respondent Spurgeon is solely liable for:

<u>Forum Fees</u>	= \$ 750.00
Total Fees	= \$ 750.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 750.00

All balances are due and payable to NASD Dispute Resolution

**Parties' Signatures**



LORI J. DEMENT  
NOTARY PUBLIC, STATE OF OHIO  
KNOX COUNTY  
My Commission Expires 02-22-07

Ronald Davidson  
Ronald Davidson  
Claimant

Lori J. Dement  
For Ronald Davidson only.

5-25-04  
Date

Jacqueline L. L...  
Locust Street Securities, Inc.  
Respondent

6/18/2004  
Date

Charles R. Spurgeon  
Charles Spurgeon  
Respondent

6-14-04  
Date

NASD Dispute Resolution

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**ARBITRATION PANEL**

Floyd Douglas Weatherspoon, Esq. -

Public Arbitrator, Presiding Chair

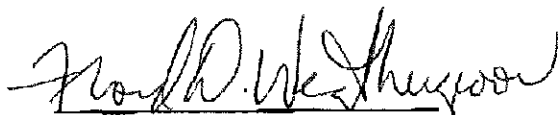
Arnold M. Malech, Esq. -

Public Arbitrator

James A. Francis, Esq. -

Non-Public Arbitrator

**Concurring Arbitrators' Signatures**



Floyd Douglas Weatherspoon, Esq.  
Public Arbitrator, Presiding Chair

8/23/2004  
Signature Date

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Arnold M. Malech, Esq.  
Public Arbitrator

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

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James A. Francis, Esq.  
Industry Arbitrator

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

September 7, 2004

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


**ARBITRATION PANEL**


Floyd Douglas Weatherspoon, Esq.	-	Public Arbitrator, Presiding Chair
Arnold M. Malech, Esq.	-	Public Arbitrator
James A. Francis, Esq.	-	Non-Public Arbitrator

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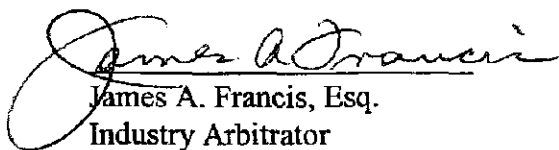
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Public Arbitrator, Presiding Chair

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Signature Date

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Arnold M. Malech, Esq.  
Public Arbitrator

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Signature Date

  
James A. Francis, Esq.  
Industry Arbitrator

8-30-04  
Signature Date

September 7, 2004  
Date of Service (For NASD office use only)