

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:
Carol Stultz, Claimant v. WMA Securities, Inc., Respondent

Case Number: 03-02939

Hearing Site: Los Angeles, California

Nature of Dispute: Customer v. Member

REPRESENTATION OF PARTIES

For Claimant:

Carol Stultz
In Pro Se
Canoga Park, California

For Respondent:

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

CASE INFORMATION

Statement of Claim filed: April 17, 2003

Claimant's Uniform Submission Agreement signed: May 8, 2003

Statement of Answer filed by Respondent: October 2, 2003

Respondent's Uniform Submission Agreement signed: August 20, 2003

CASE SUMMARY

In her statement of Claim, Claimant alleged breach of contract, breach of fiduciary duty, omission of facts, misrepresentations and non-disclosures involving the purchase of a Variable Universal Life Insurance policy.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the sum of \$ \$37,219.00, punitive damages in the sum of \$5,654.23, interest in the sum of \$7,126.77, and costs.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On October 4, 2003, Claimant signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Although Respondent did not submit a Waiver Agreement, pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

At the hearing, the Panel denied Respondent's Motion to Exclude Evidence.

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) Respondent is liable to and shall pay to Claimant compensatory damages in the sum of \$10,000.00.
- 2) Claimant's claim for punitive damages is denied.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) All other relief requested and not expressly granted is denied.

FEES

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	= \$ 175.00
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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 WMA Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 875.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,625.00

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. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$600.00/session	= \$ 600.00
Pre-hearing conference: December 22, 2003	1 session

(2) Hearing sessions @ \$600.00/session	=
\$1,200.00	
Hearing: May 4, 2004	2 sessions

Total Forum Fees	= \$ 1,800.00
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The Panel assessed \$1,800.00 of the forum fees to Respondent WMA Securities, Inc.

Fee Summary

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

Initial Filing Fee

Waived

2. Respondent WMA Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 2,625.00
<u>Forum Fees</u>	<u>= \$ 1,800.00</u>
Total Fees	= \$ 4,425.00
<u>Less payments</u>	<u>= \$(2,625.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,800.00

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

Michael R. Mitchell	-	Public Arbitrator, Presiding Chair
Chester L. Firestein	-	Public Arbitrator
Montgomery G. Griffin	-	Non-Public Arbitrator

Concurring Arbitrators' Signature:



Michael R. Mitchell
Chair, Public Arbitrator

May 5, 2004

Signature Date

Chester L. Firestein
Public Arbitrator

Signature Date

Montgomery G. Griffin
Non-Public Arbitrator

Signature Date

May 5, 2004

Date of Service

ARBITRATION PANEL

Michael R. Mitchell	-	Public Arbitrator, Presiding Chair
Chester L. Firestein	-	Public Arbitrator
Montgomery G. Griffin	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Michael R. Mitchell
Chair, Public Arbitrator

Signature Date


Chester L. Firestein
Public Arbitrator

5/5/04
Signature Date

Montgomery G. Griffin
Non-Public Arbitrator

Signature Date

May 5, 2004
Date of Service