

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Harold L. Cheeseman, Claimant v. Pacific Life Insurance Company, Associated Securities Corp.,
and Samuel R. Jones, Respondents

Case Number: 03-03012

Hearing Site: Portland, Oregon

Nature of Dispute: Customer v. Non-Member, Member and Associated Person

REPRESENTATION OF PARTIES

For Claimant:

James M. O'Kief, Esq.
Morris & O'Kief
Eugene, Oregon

For Respondent Pacific Life Insurance
Company:

Trish Sandberg
Pacific Life Insurance Co.
Newport Beach, California

For Respondents Associated Securities
Corp. and Samuel R. Jones:

Richard J. Kuhn, Esq.
Hoffman Hart & Wagner
Portland, Oregon

CASE INFORMATION

Statement of Claim filed: April 18, 2003

Claimant's Uniform Submission Agreement signed: April 17, 2003

Joint Statement of Answer filed by Respondents Associated Securities Corp. and Samuel R.
Jones: July 11, 2003

Respondent Associated Securities Corp.'s Uniform Submission Agreement signed: July 7, 2003

Respondent Samuel R. Jones' Uniform Submission Agreement signed: None submitted

Statement of Answer by Respondent Pacific Life Insurance Company: None filed

Respondent Pacific Life Insurance Company's Uniform Submission Agreement: None Submitted

CASE SUMMARY

Claimant alleged breach of fiduciary duty, negligence, and breach of contract involving the purchase of an unspecified Annuity.

Respondents Associated Securities Corp. and Samuel R. Jones denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in the sum of \$53,621.55, interest at the rate of 9% per annum, and costs, including attorney's fees.

Respondents Associated Securities Corp. and Samuel R. Jones requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Pacific Life Insurance Company is not a member of the NASD and did not file with the NASD Dispute Resolution a properly executed submission agreement. By letter dated May 28, 2003, Respondent Pacific Life Insurance Company informed the NASD that it would not voluntarily submit to arbitration and will not file an answer to claim.

Respondent Samuel R. Jones did not file with the NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel.

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 Associated Securities Corp. and Samuel R. Jones are jointly and severally liable to and shall pay to Claimant compensatory damages in the sum of \$25,000.00.
- 2) Respondents Associated Securities Corp. and Samuel R. Jones are jointly and severally liable to and shall pay to Claimant interest on the sum of \$25,000.00 at a rate of 7% per annum from the date of service of the award until paid in full.
- 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	= \$ 225.00
--------------------------	-------------

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 Associated Securities Corp. is a party and the following fees are assessed:

Member Surcharge	= \$1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$1,700.00</u>
Total Member Fees	= \$ 3,550.00

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/Chair. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$ 750.00/session = \$ 750.00
Pre-hearing conference: October 27, 2003 1 session

(2) Hearing sessions @ \$750.00/session = \$1,500.00
Hearings: April 8, 2004 2 sessions

Total Forum Fees = \$ 2,250.00

1. The Panel assessed \$1,125.00 of the forum fees to Claimant.
2. The Panel assessed \$1,125.00 of the forum fees jointly and severally to Respondents Associated Securities Corp. and Samuel R. Jones.

Fee Summary

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

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$1,125.00
Total Fees	= \$1,350.00
Less payments	= \$(975.00)
Balance Due NASD Dispute Resolution	= \$ 375.00

2. Respondent Associated Securities Corp. is charged with the following fees and costs:

Member Fees	= \$ 3,550.00
Less payments	= \$(3,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Associated Securities Corp. and Samuel R. Jones are charged jointly and severally with the following fees and costs:

Forum Fees	= \$1,125.00
Balance Due NASD Dispute Resolution	= \$1,125.00

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

Douglas Martin Crow	-	Public Arbitrator, Presiding Chair
Gerald D. Wygant, Esq.	-	Public Arbitrator
R. Lee Smith	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Douglas Martin Crow
Chair, Public Arbitrator

4-14-04

Signature Date

Gerald D. Wygant, Esq.
Public Arbitrator

Signature Date

R. Lee Smith
Non-Public Arbitrator

Signature Date

April 20, 2004
Date of Service

ARBITRATION PANEL

Douglas Martin Crow	-	Public Arbitrator, Presiding Chair
Gerald D. Wygant, Esq.	-	Public Arbitrator
R. Lee Smith	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Douglas Martin Crow
Chair, Public Arbitrator

Signature Date



Gerald D. Wygant, Esq.
Public Arbitrator

4-15-04

Signature Date

R. Lee Smith
Non-Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

Douglas Martin Crow	-	Public Arbitrator, Presiding Chair
Gerald D. Wygant, Esq.	-	Public Arbitrator
R. Lee Smith	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Douglas Martin Crow
Chair, Public Arbitrator

Signature Date

Gerald D. Wygant, Esq.
Public Arbitrator

Signature Date



R. Lee Smith
Non-Public Arbitrator



Signature Date

Date of Service