

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Veravest Investments, Inc., First Allamerica Financial Life Insurance Company,
and Allmerica Financial Insurance and Annuity Company (Claimants) v. Louis G.
Pelletier and Frank Germano (Respondents)

Case Number: 03-06597

Hearing Site: Boston, Massachusetts

Nature of the Dispute: Member and Non-Members v. Associated Persons.

REPRESENTATION OF PARTIES

Claimants Veravest Investments, Inc., ("Veravest"), First Allmerica Financial Life Insurance Company ("Allmerica Life"), and Allmerica Financial Insurance and Annuity Company ("Allmerica Financial"), hereinafter collectively referred to as "Claimants": Michael Donovan, Esq., and Christine Fitzgerald, Esq., Manchel & Brennan, Newton, MA.

Respondents Louis G. Pelletier ("Pelletier") and Frank Germano ("Germano"), hereinafter collectively referred to as "Respondents": Robert Hirtle, Esq., Rogin, Nassau, Caplan, Lassman & Hirtle, Hartford, Connecticut.

CASE INFORMATION

Statement of Claim filed on or about: September 8, 2003.

First Amended Statement of Claim filed on or about: March 26, 2004.

Reply to Pelletier's Counterclaims filed by Veravest on or about: December 16, 2003.

Reply to Germano's Counterclaims filed by Claimants on or about: June 28, 2004.

Veravest signed the Uniform Submission Agreement.

Allmerica Life did not submit a signed Uniform Submission Agreement.

Allmerica Financial did not submit a signed Uniform Submission Agreement.

Statement of Answer filed by Pelletier on or about: November 21, 2003.

Amended Answer and Counterclaims filed by Pelletier on or about: September 26, 2005.

Second Amended Answer and Counterclaims filed by Pelletier on or about: April 3, 2006.

Pelletier signed the Uniform Submission Agreement: November 20, 2003.

Statement of Answer and Counterclaim filed by Germano on or about: June 15,

2004.

Reply to Claimant's Affirmative Defenses filed by Germano on or about: July 7, 2004.

Germano signed the Uniform Submission Agreement: July 27, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, conversion, breach of the covenant of good faith and fair dealing, breach of fiduciary duty, constructive trust, wrongful retention of monies, unjust enrichment, and unjust detriment.

Unless specifically admitted in his Answer, Respondent Pelletier denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Respondent Germano denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In his Amended Answer and Counterclaims, Pelletier asserted the following causes of action: wrongful termination of employment, wrongful withholding of wages, and, tortious interference with business expectancies.

Unless specifically admitted in its Reply to Pelletier's Counterclaims, Veravest denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In his Answer and Counterclaims, Germano asserted the following cause of action: wrongful withholding of wages.

Unless specifically admitted in their Reply to Germano's Counterclaims, Claimants denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In their initial Statement of Claim, Claimants requested damages of at least \$28,000.00. In their amended Statement of Claim, Claimants requested damages of at least \$35,000.00, plus attorneys' fees and costs, interest, and punitive damages.

Pelletier requested:

1. an accounting of the amounts of all payroll, commissions, wrap fees, staff salaries and other fees and income wrongfully withheld by Claimants;
2. Payment of all amounts withheld;
3. Payment of back wages and reestablishment of employee benefits;
4. Attorneys' fees and costs;
5. Punitive damages;
6. Unspecified compensatory damages;
7. Interest; and
8. Such other legal and equitable relief as the Panel deems necessary and proper.

Veravest requests that the Panel dismiss Pelletier's counterclaim in its entirety, with prejudice, and judgment be entered for Veravest, together with all costs, interest, and attorneys' fees allowed by law, and such other and further relief as the Panel deems just and proper.

Germano requested an accounting of the amounts of all payroll, commissions, wrap fees, staff salaries, and other fees and income wrongfully withheld by Claimants, payment of all amounts wrongfully withheld, compensatory damages, interest, and such other legal and equitable relief as the Panel deems necessary and proper.

Claimants requested that the Panel dismiss Germano's counterclaim in its entirety, with prejudice, and that judgment be entered for Claimants, together with all costs, interest, and attorneys' fees allowed by law, and such other and further relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Claimants Allmerica Life and Allmerica Financial did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but, having submitted the Claim, answered the counterclaims, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

By letter dated November 17, 2004, Claimants settled all claims against Respondent Germano. In addition, Respondent Germano settled all counterclaims against Claimants.

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.

AWARD

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

1. Respondent Pelletier is liable for and shall pay Claimants compensatory damages in the amount of \$4,649.00 (without interest thereon).
2. Respondent Pelletier's counterclaims are denied in their entirety.
3. 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 will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$1,000.00
Pelletier's Counter claim filing fee	= \$ 250.00
Germano's Counter claim filing fee	= \$ 250.00

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. Accordingly, Veravest Investments, Inc., is a party.

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

November 16-18, 2004 adjournment by Claimants	= \$ 450.00
Claimants' share	= \$ 225.00
Respondents' share	= \$ 225.00
November 16-18, 2005 adjournment by parties	WAIVED

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: February 18, 2004 1 session

One (1) Pre-hearing session with Panel @ \$1,000.00 = \$1,000.00
Pre-hearing conference: September 23, 2005 1 session

Eight (8) Hearing sessions @ \$1,000.00 = \$8,000.00
Hearing Dates: December 5, 2006 2 sessions
December 6, 2006 2 sessions
December 12, 2006 2 sessions
December 13, 2006 2 sessions

Total Forum Fees = \$9,450.00

1. The Panel has assessed \$4,725.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$4,725.00 of the forum fees against Respondent Pelletier.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$1,000.00
Adjournment Fee	= \$ 225.00
Forum Fees	= \$4,725.00
<u>Total Fees</u>	<u>= \$5,950.00</u>
<u>Less payments</u>	<u>= \$1,450.00</u>
Balance Due NASD Dispute Resolution	= \$4,500.00

2. Veravest is solely liable for:

Member Fees	= \$3,825.00
Total Fees	= \$3,825.00
<u>Less payments</u>	<u>= \$2,625.00</u>
Balance Due NASD Dispute Resolution	= \$1,200.00

3. Respondent Pelletier is solely liable for:

Filing Fee	= \$ 250.00
<u>Forum Fees</u>	<u>= \$4,725.00</u>

Total Fees	= \$4,975.00
<u>Less payments</u>	<u>= \$ 375.00</u>
Balance Due NASD Dispute Resolution	= \$4,600.00

4. Respondent Germano is solely liable for:

<u>Filing Fee</u>	<u>= \$ 250.00</u>
Total Fees	= \$ 250.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 250.00

5. Respondents are jointly and severally liable for:


<u>Adjournment Fees</u>	<u>= \$ 225.00</u>
Total Fees	= \$ 225.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 225.00

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

ARBITRATION PANEL

Robert Pincus, Esq.	-	Public Arbitrator, Presiding Chairperson
June Y. Kilmarx, Esq.	-	Public Arbitrator
Michael Dell'Olio, J.D.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Robert Pincus, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

June Y. Kilmarx, Esq.
Public Arbitrator

Signature Date

Michael Dell'Olio, J.D.
Non-Public Arbitrator

Signature Date

January 3, 2007
Date of Service (For NASD Dispute Resolution use only)

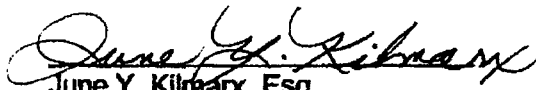
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12/29/2006

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