

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Alimadad Jatoi & Alcina Jatoi

Case Number: 04-00085

Name of the Respondents

WM Financial Services, Inc. and
Richard L. Goins

Hearing Site: Dallas, Texas

NATURE OF THE DISPUTE

Public Customers v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Claimants Alimadad Jatoi & Alcina Jatoi, hereinafter collectively referred to as "Claimants":
Appeared pro se and are from Colleyville, Texas.

Respondents WM Financial Services, Inc. ("WMFS") and Richard L. Goins ("Goins"), hereinafter collectively referred to as "Respondents": Stephen H. Lee, Esq., of the firm of Doyle, Restrepo, Harvin & Robbins, LLP, located in Houston, Texas.

CASE INFORMATION

Statement of Claim filed on: January 6, 2004.

Claimants signed the Uniform Submission Agreement: December 30, 2003.

Statement of Answer filed by Respondents on or about: March 31, 2004.

Respondent WMFS signed the Uniform Submission Agreement: August 2, 2004.

Respondent Goins did not file an executed submission agreement.

CASE SUMMARY

Claimants asserted the following causes of action:

1. Respondents failed to supply the policy/contract and misrepresented two ING Aetna Annuities purchased for Claimants' account by failing to advise Claimants that it was a variable annuity and that there was a surrender penalty;
2. Respondents misrepresented an Oppenheimer Municipal Bond Fund purchased by Claimants, thereby selling them a security unsuitable for them; and,
3. Respondents placed \$20,000 for Claimants' grandchild's college education into

unsuitable and risky mutual funds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses:

1. The Statement of Claim fails to state any cause of action against WMFS and Goins for which relief may be granted;
2. Claimants understood the risk associated with investing mutual funds and all decisions were the ultimate decisions of the Claimants. To the extent there was any loss or diminution in the value of their accounts, such loss or diminution was the result of market fluctuations within the risk that the Claimants voluntarily assumed;
3. Claimants are unable to meet their burden of establishing materiality, reasonable reliance, scienter or loss causation with regard to claims under Section 10(b) of the Securities Exchange Act, 15 U.S.C. § 78j, at common law or otherwise;
4. Claimants' claims are barred because even if the representations Claimants complain about were made, those representations were merely expressions of opinion or prediction, rather than past or present material fact, and as such are not actionable;
5. WMFS and Goins deny that they made untrue statements of material facts or omitted to state material facts that they knew, or in the exercise of reasonable care could have known to be untrue;
6. Neither WMFS nor Goins made any oral agreements with Claimants or promises upon which they relied to their detriment and Claimants are barred by the parol evidence rule and the statute of frauds from asserting any such oral agreements or promises;
7. The damages alleged by Claimants were not caused by acts attributable to WMFS or Goins. Rather, the losses sustained by Claimants were proximately caused by market forces or other superseding or intervening events beyond the control or responsibility of WMFS and Goins;
8. Alternatively, the damages, if any, alleged to have been sustained by Claimants were caused, in whole or in part, by Claimants failure to mitigate;
9. Claimants' claims are barred by the principles of waiver, estoppel and ratification. Claimants authorized the purchase of all investments for their accounts and signed disclosure forms and other documents acknowledging the risks involved in making the purchases;
10. The measure of damages, if any, applicable to the case is the out-of-pocket loss, or the net cost of Claimant's investments, rather than an award of profits or opportunity loss which would be conjectural; and,
11. Claimants' claims are barred, in whole or in part, by the applicable statutes of limitations and/or by the doctrine of laches.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$ 38,220.00
Punitive Damages	\$ 76,440.00
Interest	\$ 2,100.00
Attorneys' Fees	\$ 500.00
Other Costs	Including filing fees

Respondents requested that the Statement of Claim be dismissed, with costs assessed against Claimants; that Respondents recover their reasonable attorneys' fees and expenses incurred; and that the Panel order this action be expunged from Goins' record with the NASD.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Goins did not file a properly executed submission to arbitration with NASD Dispute Resolution, 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 on all issues submitted.

The Panel finds that there was no legal merit to the claim and orders expungement of the claim from the record of Respondent Goins.

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. The claims asserted by Claimants Alimadad Jatoi & Alcina Jatoi against Respondents WM Financial Services, Inc. and Richard L. Goins are dismissed and denied in their entirety;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Richard L. Goins' 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 Goins must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. The parties shall bear their own costs of arbitration, including any attorneys' fees, except for those sums specifically enumerated in this decision; and,
4. Any and all relief not specifically addressed herein, including punitive or exemplary 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 = \$ 300.00

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, WM Financial Services, Inc. is a party and the following member fees are assessed:

Member surcharge = \$ 1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed: None.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), 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: November 12, 2004 1 session

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$ 1,125.00
Pre-hearing conference: August 24, 2004 1 session

Two (2) Hearing sessions @ \$1,125.00 = \$ 2,250.00

Hearing Date: January 25, 2004 2 sessions

Total Forum Fees = \$ 3,825.00

The Panel has assessed \$3,825 00 of the forum fees, jointly and severally, to Claimants Alimadad Jatoi & Alcina Jatoi.

FEE SUMMARY

Claimants Alimadad Jatoi & Alcina Jatoi are jointly and severally liable for:

Initial Filing Fee = \$ 300.00
Forum Fees = \$ 3,825.00
Total Fees = \$ 4,125.00
Less payments = \$ 1,425.00
Balance Due NASD Dispute Resolution = \$ 2,700.00

Respondent WM Financial Services, Inc. is solely liable for:

Member Fees = \$ 5,200.00

Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Jonathan A. Pace, Esq. - Public Arbitrator, Presiding Chairperson
Richard A. Knudsen - Public Arbitrator
Charles E. Martin, CPA - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Jonathan A. Pace, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Richard A. Knudsen
Public Arbitrator

Signature Date

Charles E. Martin

Charles E. Martin, CPA
Non-Public Arbitrator

2-9-05

Signature Date

2/11/05 Hw

Date of Service (For NASD Dispute Resolution office use only)

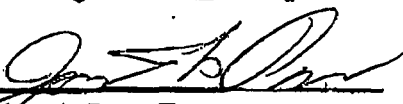
<u>Less payments</u>	<u>= \$ 5,200.00</u>
<u>Balance Due NASD Dispute Resolution</u>	<u>= 5 0.00</u>

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Jonathan A. Pace, Esq.
Public Arbitrator, Presiding Chairperson

2/5/04
Signature Date

Richard A. Knudsen
Public Arbitrator

Signature Date

Charles E. Martin, CPA
Non-Public Arbitrator

Signature Date

2/11/05 
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
Arbitration No. 04-00085
Award Page 5

<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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Concurring Arbitrators' Signatures

Jonathan A. Pace, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Richard A. Knudsen
Richard A. Knudsen
Public Arbitrator

Feb 10, 2005
Signature Date

Charles E. Martin, CPA
Non-Public Arbitrator

Signature Date

2/11/05 [Signature]
Date of Service (For NASD Dispute Resolution office use only)