

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

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CARILLON INVESTMENTS, INC. and
THE UNION CENTRAL LIFE INSURANCE CO.,
CLAIMANTS,

CASE NO. 04-2003
Hearing Site: Dallas, TX

----against----

SCOTT GIDLEY,

RESPONDENT.
-----X

Nature of the Dispute: Member and Non-Member with Contract to Arbitrate vs. Associated Person.

REPRESENTATION OF PARTIES

Claimant(s), Carillon Investments, Inc. and The Union Central Life Insurance Co. (hereinafter collectively referred to as Claimants): Andrew Whitaker, Esq., Figari & Davenport, 3400 Bank of America Plaza, 901 Main Street, LB 125, Dallas, Texas 75202-3796

Respondent, Scott Gidley ("Gidley"): Erwin J. Shustak, Esq. Shustak Jalil & Heller, 401 West A Street, Suite 2330, San Diego, CA 92101.

CASE INFORMATION

Statement of Claim filed on or about March 24, 2004

Claimants signed the Uniform Submission Agreement on February 27, 2004

Statement of Answer, Counterclaims and Motion to Dismiss filed by Gidley on or about June 7, 2004

Gidley signed the Uniform Submission Agreement on June 2, 2004

On or about June 30, 2004, Claimants filed a Reply to Gidley's Counterclaims, and a Response to Gidley's Motion to Dismiss.

CASE SUMMARY

Claimants asserted the following causes of action: Breach of Contract, Attorneys' fees, costs and interest. The causes of action relate to an alleged failure to repay commissions on premiums refunded to applicants for variable annuities and a life insurance policy.

Unless specifically admitted in his answer, Gidley denied the allegations made in the Statement of Claim and asserted various defenses. Gidley asserted counterclaims including breach of contract, breach of fiduciary duty, intentional interference with contract, tortious interference with actual and prospective business relations, defamation, gross negligence, intentional misrepresentation, unlawful termination, intentional infliction of emotional distress, and breach of the duty of good faith and fair dealing.

Unless specifically admitted in their reply, Claimants denied the allegations made in Gidley's counterclaims, including the allegation that they had engaged in defamatory conduct, and asserted various defenses.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$114,491.93
Interest	\$unspecified
Attorneys' Fees	\$unspecified
Other Costs	\$unspecified
Other Monetary/Non-Monetary Relief if any:	\$unspecified

Gidley requested:

Compensatory Damages	\$unspecified
Punitive Damages	\$unspecified
Interest	\$unspecified
Attorneys' Fees	\$unspecified
Other Costs	\$unspecified

Other Monetary/Non-Monetary Relief if any:

Expungement/amendment of the U-5
termination statement to reflect
Gidley's voluntary resignation.

OTHER ISSUES CONSIDERED AND DECIDED

Gidley's Motion to Dismiss was withdrawn.

This case settled, and Claimants and Gidley have executed a Settlement Agreement and Release. This Stipulated Award was agreed to by the parties.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies, and that they will receive conformed copies of the Stipulated Award while the originals remain on file with NASD Dispute Resolution.

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

1. Claimants' claims against Gidley are hereby dismissed in their entirety pursuant to the Settlement Agreement and Release.
2. Gidley's counterclaims against Claimants are hereby dismissed in their entirety pursuant to the Settlement Agreement and Release.
3. The Panel recommends the expungement of the Form U-5 dated April 25, 2003, which stated that the "Reason for Termination" was "Inability of Representative to pay back to broker dealer commission reversals in excess of \$50,000 for several variable contracts not taken by client." from the registration records of Gidley maintained by the NASD Central Registration Depository (CRD). The quoted language will be expunged, and the U-5 shall be amended to read, with respect to Gidley's termination of employment with Claimant Carillon Investments, Inc., "voluntary resignation." The expungement relief is granted based on the defamatory nature of the information in the CRD system; however, there has been no finding that the elements required to satisfy a claim for defamation under governing law have been met.
4. That other than Forum Fees, which are specified below, the parties shall each bear their own costs and expenses incurred in this matter.

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

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, Carillon Investments, 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:

September 6-9, 2005 adjournment by Claimants = \$ 1,125.00

(Waived by Panel)

October 17-20, 2005 adjournment by Respondent = \$ 1,125.00

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 Panel @ \$1,125.00 = \$ 1,125.00

Pre-hearing conference: January 4, 2005 1 session

Total Forum Fees = \$ 1,125.00

The Panel has assessed \$562.50 of the forum fees, jointly and severally, to Claimants Carillon Investments, Inc. and The Union Central Life Insurance Co., and the remaining \$562.50 of the forum fees to Respondent, Scott Gidley.

FEE SUMMARY

Claimants Carillon Investments, Inc. and The Union Central Life Insurance Co. are jointly and severally liable for:

Initial Filing Fee	= \$ 1,000.00
<u>Forum Fees</u>	= \$ 562.50
Total Fees	= \$ 1,562.50
<u>Less payments</u>	= \$ 2,125.00
Balance Refunded by NASD Dispute Resolution	= \$ 562.50

Claimant Carillon Investments, Inc. is solely liable for:

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

Respondent, Scott Gidley, is solely liable for:

Filing Fee	= \$ 250.00
Adjournment Fee	= \$ 1,125.00
<u>Forum Fees</u>	= \$ 562.50
Total Fees	= \$ 1,937.50
<u>Less payments</u>	= \$ 1,500.00
Balance Due NASD Dispute Resolution	= \$ 437.50

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

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ARBITRATION PANEL

Alice A. Waters, Esq. - Public Arbitrator, Presiding Chairperson

George Andrew Platt, J.D. - Public Arbitrator

Valynda A. Ewton - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Alice A Waters

Alice A. Waters, Esq.

Public Arbitrator, Presiding Chairperson

1-24-06

Signature Date

George Andrew Platt, J.D.

Public Arbitrator

Signature Date

Valynda A. Ewton

Non-Public Arbitrator

Signature Date

1/26/06 Hm

Date of Service (For NASD Dispute Resolution use only)

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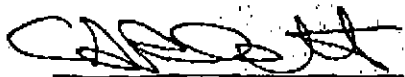
Valynda A. Ewton - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Alice A. Waters, Esq.

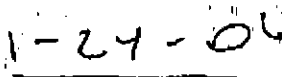
Public Arbitrator, Presiding Chairperson

Signature Date



George Andrew Platt, J.D.

Public Arbitrator




Signature Date

Valynda A. Ewton

Non-Public Arbitrator

Signature Date



Date of Service (For NASD Dispute Resolution use only)

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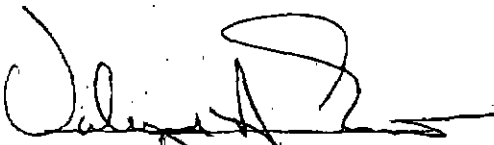
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Public Arbitrator, Presiding Chairperson

Signature Date

George Andrew Platt, J.D.
Public Arbitrator

Signature Date


Valynda A. Ewton
Non-Public Arbitrator

1/23/06
Signature Date

1/26/06 MM
Date of Service (For NASD Dispute Resolution use only)