
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Xavier Miles

Case Number: 04-07886

Names of the Respondents
American General Securities, Inc.
Leroy Jack Smith

Hearing Site: New Orleans, Louisiana

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Xavier Miles, hereinafter referred to as "Claimant": George W. Healy, IV, Esq., George W. Healy, IV and Associates, Gulfport, Mississippi.

For American General Securities, Inc. ("American"): John N. Bolus, Esq., Maynard Cooper & Gale, Birmingham, Alabama.

For Leroy Jack Smith ("Smith"): Mickey B. Wright, Esq., Lloyd, Gray & Whitehead, P.C., Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: November 15, 2004.

Claimant signed the Uniform Submission Agreement: September 3, 2004.

Statement of Answer filed by Respondent American on or about: January 7, 2005.

Statement of Answer filed by Respondent Smith on or about: January 24, 2005.

Respondent American signed the Uniform Submission Agreement: December 2, 2004.

Respondent Smith signed the Uniform Submission Agreement: December 30, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: 1) fraudulent inducement; 2) misrepresentation and omission; 3) unsuitability; 4) failure to diversify; 5) breach of fiduciary duty; 6) failure to supervise; 7) aiding and abetting fraudulent practices; 8) negligence; 9) failure to disclose commissions; 10) breach of contract; 11) unjust enrichment; 12) misleading advertising; 13) loss of investment opportunity; and 14) violation of NASD Rules 2212, 2120, and 2310. The causes of action relate to purchases of certain variable annuity contracts in Claimant's retirement account.

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

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

RELIEF REQUESTED

Claimant requested: 1) compensatory damages not less than \$117,253.72; 2) punitive damages not less than \$200,000.00; 3) costs of the proceedings; 4) pre-award interest; 5) post-award interest; 6) attorney's fees; and 7) loss of investment opportunity.

Respondent American requested: 1) dismissal of Claimant's claims; 2) costs of the proceedings; 3) forum fees; and 4) other such relief as the undersigned arbitrators (the "Panel") deemed just and proper.

Respondent Smith requested: 1) dismissal of Claimant's claims with prejudice; 2) attorney's fees; 3) costs of the proceedings; and 4) expungement of all references to this matter from Smith's NASD Central Registration Depository ("CRD") records.

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 11, 2005, Claimant notified NASD Dispute Resolution that the parties fully and finally settled all claims between them.

On or about February 6, 2006, the parties submitted a Proposed Stipulated Award.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings and the Proposed Stipulated Award, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's claims against Smith are dismissed in their entirety with prejudice based on the settlement reached between the parties.

Claimant's claims against American are dismissed in their entirety with prejudice based on the settlement reached between the parties.

Each party shall bear their respective attorneys' fees and other expenses already incurred.

Any and all claims for relief not specifically addressed herein, including Claimant's requests for punitive damages and Respondent Smith's request for expungement, are denied and dismissed with prejudice.

FEEES

Pursuant to the NASD Code of Arbitration Procedure (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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent American is a party and a member firm.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

December 12-15, 2005, adjourned by Respondent Smith. The Panel waived assessment of the adjournment fee.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

There were no three-day cancellation fees assessed during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

There were no injunctive relief fees assessed during these proceedings.

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:

Two (2) Pre-hearing sessions with the Panel @ \$1,125.00/session	= \$2,250.00
Pre-hearing conferences: March 15, 2005	1 session
November 2, 2005	1 session
<u>Total Forum Fees</u>	<u>= \$2,250.00</u>

The Panel has assessed forum fees in the amount of \$1,125.00 to Claimant.

The Panel has assessed forum fees in the amount of \$1,125.00 to Respondent American and Respondent Smith, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,125.00
Total Fees	= \$ 1,425.00
Less Payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent American is solely liable for:

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

Respondent American and Respondent Smith are jointly and severally liable for:

Forum Fees	= \$ 1,125.00
Total Fees	= \$ 1,125.00
Less payments	= \$ 1,125.00
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

C. Ellis Henican, Jr., Esq.
Gunther Richard Michaelis, Jr.
Leon T. Roberts, Sr.

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/s/
C. Ellis Henican, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

Gunther Richard Michaelis
Public Arbitrator

Signature Date

/s/

Leon T. Roberts, Sr.
Non-Public Arbitrator

Signature Date

February 10, 2006

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

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Respondent American and Respondent Smith are jointly and severally liable for:

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Total Fees	= \$ 1,125.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,125.00

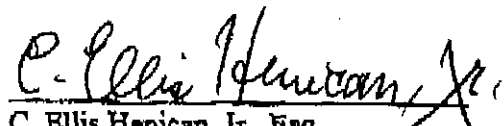
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ARBITRATION PANEL

C. Ellis Henican, Jr., Esq.
Gunther Richard Michaelis, Jr.
Leon T. Roberts, Sr.


Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


C. Ellis Henican, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Feb. 7, 2006
Signature Date

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Gunther Richard Michaelis,
Public Arbitrator



Signature Date

Leon T. Roberts, Sr.
Non-Public Arbitrator

Signature Date

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

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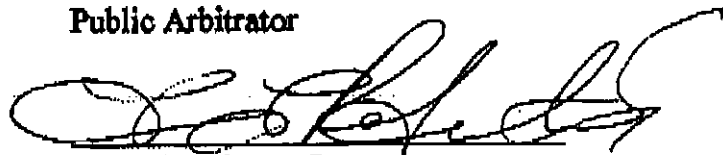
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Gunther Richard Michaelis, Jr.
Public Arbitrator

Signature Date



Leon T. Roberts, Sr.
Non-Public Arbitrator

2-8-06

Signature Date

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