

NASD DISPUTE RESOLUTION MODIFIED AWARD
NASD DISPUTE RESOLUTION

CASE: 05-01142

Aaron W. Steffens and Jennifer Steffens, (Claimants) vs. First Command Financial Planning, Inc., (Respondent)

ATTORNEYS:

Claimant appeared pro se, Montgomery, AL.

For Respondent appeared Ethan H. Cohen, Esq., Atlanta, GA.

NATURE OF DISPUTE: Customer vs. Member

DATE FILED: February 23, 2005

CASE SUMMARY: Claimants alleged that due to Respondent's misleading sales scripts, comparisons and omissions resulted in financial losses. Claimants' claim involved mutual funds.

ARBITRATOR'S REPORT: Claimants' claims from 8/94-2/21/99 are barred pursuant to NASD Rule 10304, and are dismissed. Claimants' claims from 2/21/99-8/04 are within the 6-year limit of NASD Rule 10304 and are not barred. The Arbitrator has ruled on these claims only.

OTHER ISSUES: The parties entered into a post award settlement agreement to modify the award. See attached Exhibit A.

Claim Data

Claim: \$856.36
Interest: Unspecified
Filing Fees: Unspecified

Award Data

Award: \$.00
Interest: \$.00
Filing Fees: \$.00

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) 1) The claims of the Claimants are dismissed in their entirety. 2) All requests for interest are denied. 3) All other relief requests are denied. 4) NASD Dispute Resolution shall retain the \$50.00 filing fee that the Claimants deposited previously.

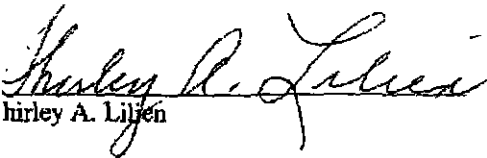
OTHER FEES: Pursuant to Rule 10333 of the Code, Respondent has paid to NASD Dispute Resolution the \$150.00 Member Surcharge previously invoiced.

Shirley A. Lilien

Sole Public Arbitrator

AFFIRMATION

, Shirley A. Lilien, do hereby affirm, upon my oath as arbitrator that I am the individual
described herein who executed this instrument, which is my oath and award.


Shirley A. Lilien

4/3/06
(Signature Date)

4/3/06
Date of Service (For NASD-DR office use only)

EXHIBIT A

ONE ATLANTIC CENTER, SUITE 2300
1201 WEST PEACHTREE STREET, N.E.
ATLANTA, GEORGIA 30309

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Ethan H. Cohen
404.437-7033
ecohen@schiffhardin.com

March 10, 2006

VIA FACSIMILE AND U.S. MAIL

Ms. Jennifer Foster
Legal Assistant
NASD Dispute Resolution, Northeast Region
One Liberty Plaza
165 Broadway, 27th Floor
New York, NY 10006-1400

Re: In the Matter of NASD Dispute Resolution Arbitration No. 05-1142; *Aaron W. Steffens vs. First Command Financial Planning, Inc.*

Dear Ms. Foster:

We write to confirm that the settlement of the above-referenced matter has been completed.

Pursuant to the parties' Settlement Agreement, the parties have agreed that the Award (the "Award") entered in this matter shall be and is deemed vacated (See Settlement Agreement, Para. No. 2, p. 1, copy attached). Accordingly, we request that the Settlement Agreement be presented either to the presiding arbitrator, The Hon. Shirley Lilien, or to the Director of Arbitration as otherwise appropriate, in order to have a new award entered (1) identifying the parties' Settlement Agreement as the award in this matter or otherwise controlling of the outcome and (2) expressly stating that the Award is vacated.

I appreciate your cooperation. Please do not hesitate to contact me if you have any questions or require additional information.

Very truly yours,

A handwritten signature of Ethan H. Cohen in black ink.

Ethan H. Cohen

Enclosure

cc: Mr. Aaron W. Steffens (with enclosure)
525 Old Mitylene Court, Montgomery, AL 36117
Joe A. Storaska, Esq. (without enclosure)
Assistant General Counsel, First Command Financial Planning, Inc.
Wendy B. Hart, Esq. (without enclosure) ATN 8008903 1

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is made and entered into this 20th day of December 2005, by and among AARON. W. STEFFENS and JENNIFER STEFFENS (collectively, the "Steffens"), on the one hand, and FIRST COMMAND FINANCIAL PLANNING, INC. ("First Command"), on the other hand, intending to be legally bound, and in consideration of the mutual covenants and other good and valuable consideration set forth below, do hereby agree as follows:

(1) **Payment.** Payment representing settlement proceeds shall be made by First Command to the Steffens in the total sum of Four Hundred Eighty Dollars and Seventy Nine Cents (\$480.79), which consists of the total principal sum of \$428.18 plus interest at the rate of 5% per annum from December 1, 2005, through January 13, 2006 (which is the last day for payment as set forth in this paragraph), and \$50.00 representing filing fees in the NASD arbitration matter defined below. A check in this amount shall be made payable to "Aaron W. and Jennifer Steffens" and sent to the Steffens no later than January 13, 2006.

(2) **Vacatur Of The Arbitration Award.** The Steffens hereby agree that the NASD Dispute Resolution Award, dated as executed on December 1, 2005 (the "Arbitration Award") in the NASD arbitration captioned *Aaron W. Steffens and Jennifer Steffens v. First Command Financial Planning, Inc.* (NASD Dispute Resolution Arbitration Number 05-01142) (the "NASD Arbitration") shall be and is deemed vacated. The parties agree to take all executory or other actions, to the extent necessary, to have the Arbitration Award deemed vacated, nullified, canceled or otherwise made void. In addition, First Command agrees to inform NASD Dispute Resolution that the parties have reached and entered into this Agreement and that the Arbitration Award is deemed vacated.

(3) **No Other Proceedings.** With the exception of the NASD Arbitration, the parties represent and warrant that they have filed no other claims and know of no other claims filed in court,

arbitration, or in any other forum between these parties pertaining to the subject matter of this Agreement, and in the event that any such claims do exist, the parties agree to immediately withdraw and dismiss them. In connection with the NASD Arbitration, the Steffens have chosen and continue to choose not to participate in, and have opted out and will continue to opt out of, the putative class action styled *Michael McPhail et al. v. First Command Financial Planning, Inc.* (Case No. 05-CV-0179), pending in the United States District Court for the Southern District of California.

(4) Mutual Release. The Steffens, on the one hand, and First Command, on the other hand, hereby mutually release each other, their past, present, and future agents, representatives, shareholders, principals, attorneys, affiliates, parent corporations, subsidiaries, officers, directors, employees, predecessors and successors and heirs, executors and assigns, from any and all legal, equitable or other claims, counterclaims, demands, setoffs, defenses, contracts, accounts, suits, debts, agreements, actions, causes of action, sums of money, reckoning, bonds, stock, options, bills, specialties, covenants, promises, variances, trespasses, damages, extents, executions, judgments, findings, controversies and disputes, and any past, present or future duties, responsibilities, or obligations, from the beginning of the world to the date hereof, whether known or unknown, which arise out of, or which may, can, or shall arise out of, or which have or ever had arisen out of, or which could have arisen out of, the relationship between the Steffens and First Command.

Notwithstanding the foregoing, this Release does not apply (a) to compliance or regulatory matters initiated by a government entity or securities industry SRO or (b) to the enforcement of the terms of this Agreement.

(5) Ownership of Released Matters. The parties hereby warrant and represent that they are the sole and lawful owners of all rights, title, and interests in and to all matters released pursuant to

paragraph 4 above, and that they have not heretofore assigned or transferred, or purported to assign or transfer, any of such released matters, in whole or in part, to any other person or entity.

(6) Confidentiality. The parties agree that the terms of this Agreement shall be kept confidential and shall not be disclosed to any third party at any time unless otherwise required by process of law. Moreover, this Agreement and its terms shall not be used or disclosed in any court, arbitration, or other legal proceeding, except to enforce the provisions of this Agreement. Nothing herein, however, shall prohibit or restrict any party or its attorney from responding to any inquiry, or providing testimony, about this settlement or its underlying facts and circumstances by, or before, the Securities and Exchange Commission (SEC), NASD, any other self-regulatory organization, or any other federal or state regulatory authority.

(7) Compromise. This Agreement and the mutual general releases contained herein effect the compromise and settlement of disputed and contested claims and nothing contained herein shall be construed as either an admission by any party hereto of any liability of any kind to any other party or as a specific valuation of any claim(s) that have been or could have been asserted between the parties hereto.

(8) Further Assurances. The parties hereto agree to execute such other documents and to take such other action as may be reasonably necessary to further the purposes of this Agreement.

(9) Governing Law. This Agreement and any other documents referred to herein shall be governed by, construed, and enforced in accordance with the laws of the State of Texas.

(10) Benefit and Burden. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, executors, administrators, representatives, successors and assigns.

(11) Amendments and Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by each of the parties affected thereby. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

(12) Voluntary Agreement. The parties hereto, and each of them, further represent and declare that they have carefully read this Agreement and know the contents thereof and that they sign the same freely and voluntarily.

(13) Severability. If for any reason any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions of this Agreement nevertheless shall be construed, performed, and enforced as if the invalidated or unenforceable provision had not been included in the text of the Agreement.

(14) Drafting. The parties have each participated in the drafting and negotiations of this Agreement, and for all purposes this Agreement shall be deemed to have been drafted jointly by each of the parties.

(15) Counterparts. If this Agreement is executed in counterparts, each counterpart shall be deemed an original, and all counterparts so executed shall constitute one agreement binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the same counterpart.

(16) Entire Agreement. All agreements, covenants, representations and warranties, express or implied, oral or written, of the parties hereto concerning the subject matter hereof are contained herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party hereto to any other party concerning the subject matter hereof. All prior and

contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants, and warranties concerning the subject matter hereof are merged herein. This is an Integrated Agreement.

(17) Past Attorneys' Fees and Costs. Each party shall bear its or his own attorneys' fees and costs incurred through the execution of this Agreement.


(18) Signatures. The parties hereby signify their agreement to the above terms by their signatures below. The undersigned represents that he/she is authorized to execute this Agreement on behalf of First Command. The Steffens execute this Agreement on their own behalf and each represents that he/she has read the Agreement, has had sufficient time to review this Agreement before signing it, and either consulted with an attorney or chose not to do so prior to signing this Agreement.

FIRST COMMAND FINANCIAL PLANNING, INC.

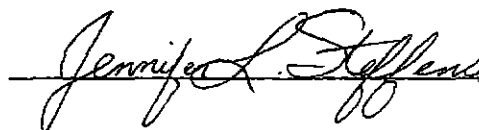
AARON W. STEFFENS

By: _____

Title: _____


1 JAN 06

JENNIFER STEFFENS



AT 8008795.1

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FIRST COMMAND FINANCIAL PLANNING, INC.

AARON W. STEFFENS

By: Nigel Simpson

Title: Senior Vice President

JENNIFER STEFFENS

ATN 8008795.1