
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Timothy P. Fant, and
Lee Anna Fant

Case Number: 05-02682

Names of the Respondents

American General Securities, Inc., and
Leroy Jack Smith

Hearing Site: New Orleans, Louisiana

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

REPRESENTATION OF PARTIES

Timothy P. Fant and Lee Anna Fant, hereinafter collectively referred to as "Claimants",
Lee Bowie, Esq., Davidson, Bowie & Sims, PLLC, Jackson, Mississippi.

American General Securities, Inc. ("AGSI"): Kip A. Nesmith, Esq. and John N. Bolus,
Esq., Maynard, Cooper & Gale, P.C., Birmingham, Alabama.

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

CASE INFORMATION

Statement of Claim filed on or about: May 23, 2005.

Claimants signed the Uniform Submission Agreement on March 3, 2005.

Answer to Statement of Claim filed by Respondent AGSI on or about: July 14, 2005.

Respondent AGSI signed the Uniform Submission Agreement on June 6, 2005.

Respondent Smith's Answer, Response and Affirmative Defenses filed on or about:
July, 29, 2005.

Respondent Smith signed the Uniform Submission Agreement on July 26, 2005.

Respondent Smith's Motion to Dismiss the Statement of Claim filed on or about:
October 3, 2005.

Claimants' Response to Respondent Smith's Motion to Dismiss the Statement of Claim
filed on or about: October 5, 2005.

Respondent AGSI's Motion for Summary Judgment or, in the alternative, Motion to
Strike filed on or about: June 8, 2006.

Respondent Smith's Motion for Summary Adjudication and Memorandum in Support of
his Motion for Summary Adjudication filed on or about: June 9, 2006.

Claimants' Opposition to the Motions for Summary Judgment filed on or about: June 12,
2006.

Respondent AGSI's Reply Brief in Support of Motion for Summary Judgment or, in the
alternative, Motion to Strike filed on or about: July 10, 2006.

Respondent Smith's Reply to Claimants' Opposition to Respondent's Motion for
Summary Adjudication filed on or about: July 10, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: 1) breach of fiduciary duty; 2) breach of contract; 3) common law fraud and misrepresentation; 4) violation of Mississippi Securities Laws and Rules; 5) failure to supervise; 6) negligence; and 7) breach of NASD rules. The causes of action relate to investments in, including but not limited to, Putnam VT Growth and Income sub-account, Putnam VT Voyager sub-account and Putnam Hartford Capital Manager variable annuity.

Unless specifically admitted in their Answers, Respondents AGSI and Smith denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested: 1) compensatory damages in excess of \$250,000.00; 2) punitive damages; 3) 8% interest as prescribed by Mississippi law on the original principal of \$383,000.00 from July 9, 1999 to payment by Respondents; 4) costs, expenses and fees; 5) attorneys' fees; and 6) such other relief as the Panel deemed proper.

Respondent AGSI requested: 1) that the Statement of Claim be dismissed in its entirety, 2) that all costs and forum fees be assessed against Claimants; and 3) such other relief as the Panel deemed just and proper.

Respondent Smith requested that Claimants be denied any form of relief.

OTHER ISSUES CONSIDERED AND DECIDED

On or about November 14, 2005, the Panel denied Respondent Smith's Motion to Dismiss.

On or about July 13, 2006, the Panel granted Respondent AGSI's Motion for Summary Judgment of all Claimants' claims and Respondent Smith's Motion for Summary Adjudication of all Claimants' claims.

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

AWARD

After considering the pleadings and oral argument of the parties on Respondent AGSI's Motion for Summary Judgment of all Claimants' claims and Respondent Smith's Motion for Summary Adjudication of all Claimants' claims heard on July 13, 2006, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent AGSI's Motion for Summary Judgment of all Claimants' claims and Respondent Smith's Motion for Summary Adjudication of all Claimants' claims are granted. All claims in the Statement of Claim are dismissed, with prejudice.

Any and all claims for relief are dismissed, with prejudice, including Claimants' claims for attorneys' fees and punitive damages.

FEES

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
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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 event(s) giving rise to the dispute. Accordingly, Respondent AGSI is a member firm and a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees assessed during the proceedings.

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 the 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: November 16, 2005 1 session
 July 13, 2006 1 session

Total Forum Fees	= \$2,250.00
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The Panel has assessed \$1,125.00 of the forum fees to the Claimants, jointly and severally.

The Panel has assessed \$1,125.00 of the forum fees to the Respondents AGSI and 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 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

Claimants are jointly and severally liable for:

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 AGSI 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

Respondents AGSI and Smith are jointly and severally liable for:

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

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

ARBITRATION PANEL

James Francis Donovan
William Paul Bryan, III, J.D.
Carlie M. Kahn

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
James Francis Donovan
Public Arbitrator, Presiding Chairperson

July 17, 2006
Signature Date

/s/
William Paul Bryan, III, J.D.
Public Arbitrator

July 18, 2006
Signature Date

/s/
Carlie M. Kahn
Non-Public Arbitrator

July 17, 2006
Signature Date

July 20, 2006
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

James Francis Donovan
James Francis Donovan
Public Arbitrator, Presiding Chairperson

17 July 2006
Signature Date

William Paul Bryan, III, J.D.
William Paul Bryan, III, J.D.
Public Arbitrator

Signature Date

Carlie M. Kahn
Carlie M. Kahn
Non-Public Arbitrator

Signature Date

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

Jul-19-06 12:05P

Jul 17, 2006 12:46PM

Resolution

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Concurring Arbitrators' Signatures

James Francis Donovan
Public Arbitrator, Presiding Chairperson

Signature Date



William Paul Bryan, III, J.D.
Public Arbitrator

July 18, 2006

Signature Date

Carlie M. Kahn
Non-Public Arbitrator

Signature Date

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

Jul.

Resolution

Arbitration No. 05-02682

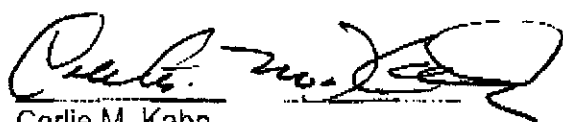
Award Page 5**Concurring Arbitrators' Signatures**

James Francis Donovan
Public Arbitrator, Presiding Chairperson

Signature Date

William Paul Bryan, III, J.D.
Public Arbitrator

Signature Date



Carlie M. Kahn
Non-Public Arbitrator

7/17/06
Signature Date

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