

**Stipulated Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Gary D. Sprague, Gary D. Sprague IRA, Nancy K. Sprague, Nancy Sprague IRA  
(Claimants) v. Royal Alliance Associates, Inc. (Respondent)

Case Number: 05-02940

Hearing Site: Columbus, Ohio

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Nature of the Dispute: Customers vs. Member.

**REPRESENTATION OF PARTIES**

Claimants Gary D. Sprague ("G. Sprague"), Gary D. Sprague IRA (G. Sprague IRA"), Nancy K. Sprague ("N. Sprague"), and Nancy Sprague IRA ("N. Sprague IRA"), hereinafter collectively referred to as "Claimants": David P. Meyer, Esq., David P. Meyer & Associates, Co., L.P.A, Columbus, OH.

Respondent Royal Alliance Associates, Inc., ("Royal") hereinafter referred to as "Respondent": Gary M. Saretsky, Esq., Hertz, Schram & Saretsky, P.C., Bloomfield Hills, MI.

**CASE INFORMATION**

Statement of Claim filed on or about: June 6, 2005.

G. Sprague signed the Uniform Submission Agreement: June 15, 2005.

N. Sprague signed the Uniform Submission Agreement: June 15, 2005.

Statement of Answer and Motion to Dismiss filed by Respondent on or about:  
September 30, 2005.

Respondent did not submit a Uniform Submission Agreement.

**CASE SUMMARY**

Claimants asserted the following causes of action: breach of fiduciary duty, breach of contract, negligence, unsuitability, and failure to supervise. The causes of action relate to various unspecified mutual funds.

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

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$270,141.00, punitive damages, interest, attorneys' fees, costs, and such other and any further relief as the arbitration Panel deems just, proper, and equitable.

Respondent requested dismissal of the Statement of Claim in its entirety and an award of costs and attorneys' fees incurred in the defense of this matter.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent Royal did not file with NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and having answered the claim, is bound by the determination of the Panel on all issues submitted.

On or about November 10, 2006, Claimants and Respondent notified NASD Dispute Resolution that they entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Pursuant to the confidential settlement agreement reached between all parties, all claims against the Respondent are dismissed with prejudice and without costs, except such costs as specified below.
2. Each party shall bear its own costs and expenses associated with the above-referenced arbitration.
3. Any and all relief not specifically addressed herein, including punitive 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 persons at the time of the events giving rise to the dispute. In this matter, Royal Alliance Associates, Inc., is a party.

Member Surcharge = \$1,700.00

Pre-Hearing Process Fee = \$ 750.00

Hearing Process Fee = \$2,750.00

#### **Adjournment Fees**

The following adjournment fees are assessed:

October 17-19, 2006 adjournment requested by Claimants and Respondent  
= Waived

#### **Forum Fees and Assessments**

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Forum fees associated with these proceedings are:

(1) Pre-hearing conference session with the Panel @ \$1,125.00/session = \$1,125.00

Pre-hearing conference: January 17, 2006 1 session

Total Forum Fees = \$1,125.00

1. The Panel has assessed \$562.50 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$562.50 of the forum fees to Respondent.

### **Fee Summary**

1. Claimants are jointly and severally liable for:

Initial Filing Fee = \$ 300.00

Forum Fees = \$ 562.50

Total Fees = \$ 862.50

<u>Less payments</u>	= \$ 862.50
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 562.50
Total Fees	= \$ 5,762.50
<u>Less payments</u>	= \$ 7,637.50
Refund Due Respondent	= \$ 1,875.00

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

**ARBITRATION PANEL**

John A. Groeber	•	Public Arbitrator, Presiding Chair
Phillip C. Johnston	-	Public Arbitrator
Rita E. Tholt, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**



John A. Groeber  
Public Arbitrator, Presiding Chair

12/20/06  
Signature Date

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Phillip C. Johnston  
Public Arbitrator

\_\_\_\_\_  
Signature Date

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Rita E. Tholt, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

January 17, 2007

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Date of Service (For NASD office use only)

**ARBITRATION PANEL**

John A. Groeber	-	Public Arbitrator, Presiding Chair
Philip C. Johnston	-	Public Arbitrator
Rita E. Tholt, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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John A. Groeber  
Public Arbitrator, Presiding Chair

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Signature Date



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Philip C. Johnston  
Public Arbitrator

Dec 28, 2006  
Signature Date

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Rita E. Tholt, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

January 17, 2007  
Date of Service (For NASD office use only)

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Public Arbitrator, Presiding Chair

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Signature Date

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Philip C. Johnston  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Rita E. Tholt, Esq.  
Non-Public Arbitrator

1-3-07  
\_\_\_\_\_  
Signature Date

January 17, 2007  
Date of Service (For NASD office use only)