

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Mark D. Faulds

vs.

05-03454
Chicago, Illinois

Names of Respondents

Willis Securities, Inc.,
Willis North America, Inc.,
Willis Americas Administration, Inc., and
Willis Of Illinois, Inc.

NATURE OF THE DISPUTE

Associated Person vs. Member and Non-Members.

REPRESENTATION OF PARTIES

Mark D. Faulds ("**Claimant**") was represented by John P. Morrison, Esq., Bell, Boyd & Lloyd LLC, Chicago, Illinois.

Willis Securities, Inc., Willis North America, Inc., Willis Americas Administration, Inc. and Willis Of Illinois, Inc. hereinafter referred to as ("**Willis**") were represented by J. Patrick Herald, Esq., Baker & McKenzie, Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about July 7, 2005. Claimant's First Amended Statement of Claim was filed on or about September 30, 2005. Claimant's Answer to Respondents' Counterclaims was filed on or about March 20, 2006. The Submission Agreement of Claimant, Mark D. Faulds, was signed on July 6, 2005.

Respondents' Answer to Claimant's First Amended Statement of Claim and Counterclaim was filed on or about January 4, 2006. Respondents' Motion to Dismiss Portions of Claimant's First Amended Statement of Claim was filed on or about April 20, 2006. The Submission Agreement of Respondent, Willis Securities, Inc., was signed on January 4, 2006. The Submission Agreement of Respondent, Willis North America, Inc., was signed on January 4, 2006. The Submission Agreement of Respondent, Willis Americas

Administration, Inc., was signed on January 4, 2006. The Submission Agreement of Respondent, Willis Of Illinois, Inc., was signed on January 4, 2006.

CASE SUMMARY

Claimant alleged that

Faulds has several claims against Willis: breach of contract, violation of the Wage Payment and Collection Act, a claim under the Attorneys' Fees in Wage Actions Act. fraud and misrepresentation/unjust enrichment, violation of NASD Rules and state and securities laws, retaliatory discharge, violation of the Illinois Personnel Record Review Act. and defamation per se.

The causes of action relate to Claimant's compensation and the termination of his employment with Respondents.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated

Claimant Faulds, an employee at will, was employed by Willis from April, 1999 until he was terminated in May, 2005 for serious breaches of his duties as an officer of the corporation and for unsatisfactory performance. Mr. Faulds, who had previously been a productive employee, became disgruntled with a change in his compensation arrangement in 2004. When it became clear that Faulds could not prevent the change to his compensation structure in 2004, he retaliated against Willis by breaching his duty of loyalty to Willis and violating the express terms of his Employment Agreement. Specifically, Faulds maliciously began a course of conduct designed to destroy the Retirement Services business of Willis with actions ranging from soliciting Willis employees and customers to leave Willis, disclosing confidential information, failing to attend to his job duties and responsibilities and threatening blackmail, which he now attempts to cast as protected activity in an effort to support a wholly incredible claim of retaliatory discharge.

RELIEF REQUESTED

Claimant requested an award in the amount of

Compensatory Damages	\$	3,750,000.00
Interest	\$	unspecified
Attorneys' Fees	\$	unspecified
Punitive Damages	\$	3,000,000.00
Other Costs	\$	unspecified
Other Monetary Relief	\$	unspecified

At the hearing, Claimant requested that certain information be expunged from his CRD records.

Respondents requested that the Arbitration Panel deny Faulds' claims, enter judgment in favor of Respondents and award any other relief that this Arbitration Panel deems just and equitable.

In their Counterclaim, Respondents requested that the Panel enter judgment in their favor and award damages as follows:

Compensatory Damages	\$	2,000,000.00
Other Costs	\$	unspecified
Other Relief	\$	unspecified

OTHER ISSUES CONSIDERED & DECIDED

On or about June 8, 2006, the parties were advised of the Arbitration Panel's decision to deny Respondents' Motion to Dismiss. During closing argument at the hearing, Respondents renewed the Motion to Dismiss.

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

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Willis Securities, Inc., Willis North America, Inc., Willis Americas Administration, Inc. and Willis Of Illinois, Inc., are jointly and severally liable for and shall pay to Claimant, Mark D. Faulds, the sum of \$142,932.00 (One Hundred Forty Two Thousand Nine Hundred Thirty Two Dollars and No Cents) as compensatory damages;
2. Interest at the Illinois statutory rate is awarded on the above stated sum from and inclusive of the date of this Award to and inclusive of the date this Award is paid;
3. Any and all relief not specifically addressed herein, including, but not limited to, the requests for punitive damages and expungment, are denied with prejudice; and

4. Other than the 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	= \$	600.00
Counter claim filing fee	= \$	2,000.00

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. In this matter, the member firm(s) is Willis Securities, Inc.

Member surcharge	= \$	3,350.00
Pre-hearing process fee	= \$	750.00
Hearing process fee	= \$	5,500.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. A hearing 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 a single arbitrator	@	\$450.00	\$	450.00
	Pre-hearing conference May 22, 2006	1 session			
One (1)	Pre-hearing session with Panel	@	\$1,200.00	\$	1,200.00
	Pre-hearing conference arch 23, 2006	1 session			
Ten (10)	Hearing sessions	@	\$1,200.00	\$	12,000.00
	Hearing dates	August 15, 2006	2 sessions		
		August 16, 2006	2 sessions		
		August 17, 2006	2 sessions		
		August 18, 2006	2 sessions		

August 21, 2006 2 sessions
Total Forum Fees \$ 13,650.00

The Arbitration Panel has assessed \$6,825.00 of the forum fees to Mark D. Faulds.

The Arbitration Panel has assessed \$6,825.00 of the forum fees jointly and severally to Willis Securities, Inc., Willis North America, Inc., Willis Americas Administration, Inc., and Willis Of Illinois, Inc.

FEE SUMMARY

Claimant, Mark D. Faulds, is liable for:

Initial Filing Fee	= \$	600.00
Forum Fees	= \$	6,825.00
Total Fees	= \$	7,425.00
Less payments	= \$	-1,800.00
Balance Due NASD Dispute Resolution	= \$	5,625.00

Respondent, Willis Securities, Inc., is liable for:

Member Fees	= \$	9,600.00
Total Fees	= \$	9,600.00
Less payments	= \$	-9,600.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, Willis Securities, Inc., Willis North America, Inc., Willis Americas Administration, Inc., and Willis Of Illinois, Inc., are jointly and severally liable for:

Counterclaim Filing Fee	= \$	2,000.00
Forum Fees	= \$	6,825.00
Total Fees	= \$	8,825.00
Less payments	= \$	-3,200.00
Balance Due NASD Dispute Resolution	= \$	5,625.00

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

ARBITRATION PANEL

Marilee Roberg, Esq. - Public Arbitrator, Presiding Chair
Ann Breen-Greco, Esq. - Public Arbitrator
Jerome Stern - Non-Public Arbitrator

Concurring Arbitrators:

Marilee Roberg
Marilee Roberg, Esq.
Public Arbitrator, Presiding Chair

9/14/06
Signature Date

Jerome Stern
Jerome Stern
Non-Public Arbitrator

Signature Date

Dissenting with the finding of liability:

Ann Breen-Greco, Esq.
Ann Breen-Greco, Esq.
Public Arbitrator

Signature Date

9/18/06
Date of Service (For NASD office use only)

ARBITRATION PANEL

Marilee Roberg, Esq. - Public Arbitrator, Presiding Chair
Ann Breen-Greco, Esq. - Public Arbitrator
Jerome Stern - Non-Public Arbitrator

Concurring Arbitrators:

Marilee Roberg, Esq.
Public Arbitrator, Presiding Chair

Jerome Stern

Jerome Stern
Non-Public Arbitrator

Signature Date

9/15/06

Signature Date

Dissenting with the finding of liability:

Ann Breen-Greco, Esq.
Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Concurring Arbitrators:


Marilee Roberg, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Jerome Stern
Non-Public Arbitrator

Signature Date

Dissenting with the finding of liability:



Ann Breen-Greco, Esq.
Public Arbitrator



Signature Date

Date of Service (For NASD office use only)