

**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

First Allied Securities, Inc., Claimant v. Bradley J. Tennison and William E. Tennison,  
Respondents

Bradley J. Tennison and William E. Tennison, Counter-Claimants v. First Allied  
Securities, Inc. Counter-Respondent

Case Number: 05-03685

Hearing Site: Phoenix, Arizona

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Nature of the Dispute: Member v. Associated Persons  
Associated Persons v. Member

**REPRESENTATION OF PARTIES**

For Claimant/Counter-Respondent  
First Allied Securities, Inc.  
(hereinafter "Claimant")

Andrew M. Zack, Esq.  
Munro and Zack, P.C.  
Troy, Michigan

For Respondents/Counter-Claimants  
Bradley J. Tennison and  
William E. Tennison  
(hereinafter "Respondents")

Patrick G. Compton, Esq.  
Lindquist & Vennum,  
P.L.L.P.  
Denver, Colorado

**CASE INFORMATION**

Statement of Claim filed: July 13, 2005

Joint Statement of Answer and Counterclaim filed by Respondents: September 8, 2005

Claimant's Uniform Submission Agreement signed: July 12, 2005

Respondents' Joint Uniform Submission Agreement signed: September 20, 2005

**CASE SUMMARY**

In its Statement of Claim, Claimant alleged that Respondents breached their Independent Contractor Agreement. Claimant alleged that Respondents failed to reimburse Claimant for costs and expenses incurred by Claimant to settle claims brought against Respondents.

Respondents denied the allegations of wrongdoing as set forth in the Statement of Claim, and set forth various affirmative defenses.

In their Counterclaim, Respondents alleged fraudulent inducement and wrongfully withheld commissions, involving indemnity insurance contracts and unspecified securities sales.

### **RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$237,071.38, pre-award and post-award interest, and costs, including attorney's fees, against Respondents jointly and severally. Claimant also requested compensatory damages in the amount of \$34,287.31, against Respondent Bradley J. Tennison.

Respondents requested dismissal of the Statement of Claim in its entirety and costs, including attorney's fees.

In their Counterclaim, Respondents requested damages in the amount of \$110,895.80 and costs, including attorney's fees.

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

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

### **AWARD**

After considering the Stipulation of the parties, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) The parties have entered into a confidential settlement agreement.
- 2) Claimant's claims are dismissed with prejudice.
- 3) Respondents' Counterclaims are dismissed with prejudice.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All claims for punitive and exemplary damages are dismissed with prejudice.
- 6) All other relief requested and not expressly granted is denied.

**FEES**

Pursuant to the Code, the following fees are assessed:

**Filing Fees**

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$1,000.00
Counterclaim filing fee	= \$ 300.00

**Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm First Allied Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	= \$ 2,750.00
<b>Total Member Fees</b>	<b>= \$ 5,200.00</b>

**Forum Fees and Assessments**

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: October 31, 2005 1 session	

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<b>Total Forum Fees</b>	<b>= \$ 1,125.00</b>
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1. The Panel assessed \$562.50 of the forum fee to Claimant.
2. The Panel assessed \$562.50 of the forum fee to Respondents, jointly and severally.

**Fee Summary**

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,200.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 6,762.50
<u>Less payments</u>	<u>= \$ ( 7,325.00)</u>
<b>Refund Due Claimant</b>	<b>= \$ (562.50)</b>

2. Respondents are charged jointly and severally with the following fees and costs:

Counterclaim filing fee	= \$ 300.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 862.50
<u>Less payments</u>	<u>= \$ (1,425.00)</u>
<b>Refund Due Respondents</b>	<b>= \$ ( 562.50)</b>

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

NASD Dispute Resolution  
Arbitration No.: 05-03685  
Stipulated Award Page 5 of 6

**Parties' Signatures**

Munro and Zack, P.C.

A handwritten signature in cursive script, appearing to read "Andrew M. Zack", written over a horizontal line.

By: Andrew M. Zack, Esq.  
For and on behalf of Claimant

Lindquist & Vennum, P.L.L.P.

By: Patrick G. Compton, Esq.  
For an on behalf of Respondents  
Bradley J. Tennison  
William E. Tennison

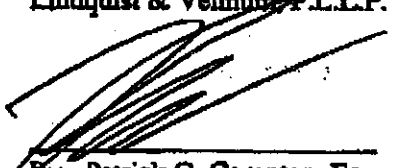
**Parties' Signatures**

**Munro and Zack, P.C.**

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**By: Andrew M. Zack, Esq.**  
**For and on behalf of Claimant**

**Lindquist & Vennema, P.L.L.P.**



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**By: Patrick G. Compton, Esq.**  
**For an on behalf of Respondents**  
**Bradley J. Tennison**  
**William E. Tennison**

**ARBITRATION PANEL**

Michael E. Duckworth	-	Public Arbitrator, Presiding Chair
Louise R. Wakem	-	Public Arbitrator
Gordon A. Price	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**



Michael E. Duckworth  
Chair, Public Arbitrator

3/16/06

Signature Date

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Louise R. Wakem  
Public Arbitrator

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

\_\_\_\_\_  
Gordon A. Price  
Non-Public Arbitrator

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

March 20, 2006  
Date of Service

NASD Dispute Resolution  
Arbitration No.: 05-03685  
Stipulated Award Page 6 of 6


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Gordon A. Price	-	Non-Public Arbitrator

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Chair, Public Arbitrator

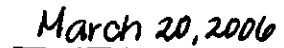
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Louise R. Wakem  
Public Arbitrator

  
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Signature Date

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Gordon A. Price  
Non-Public Arbitrator

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Signature Date

  
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Date of Service



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Chair, Public Arbitrator

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Signature Date

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Louise R. Wakem  
Public Arbitrator

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Signature Date

  
\_\_\_\_\_  
Gordon A. Price  
Non-Public Arbitrator

March 12, 2006  
Signature Date

March 20, 2006  
Date of Service