

NASD DISPUTE RESOLUTION AWARD
NASD DISPUTE RESOLUTION

CASE: 05-04272

Frederick A. Seab and Debra Seab, (Claimants) vs. American General Securities Incorporated, Hartford Securities Distribution Co., Leroy Jack Smith, and Hartford Equity Sales Company, Inc., (Respondents)

ATTORNEYS:

For Claimants appeared George W. Healy, IV, Esq., of the firm George W. Healy, IV & Associates, Gulfport, MS.

For Respondents American General Securities Incorporated and Leroy Jack Smith appeared John N. Bolus, Esq., of the firm Maynard Cooper & Gale, P.C., Birmingham, AL.

For Respondents Hartford Securities Distribution Co. and Hartford Equity Sales Company, Inc. appeared Pamela M. Bell, Esq., of the firm Akin Gump Strauss Hauer & Feld LLP, San Antonio, TX.

Respondents American General Securities Incorporated, Hartford Securities Distribution Co., Leroy Jack Smith, and Hartford Equity Sales Company, Inc. are hereinafter collectively referred to as ("Respondents").

NATURE OF DISPUTE: Customers v. Members and Associated Person

DATE FILED: August 11, 2005

CASE SUMMARY: Claimants alleged that Respondents breached their fiduciary duty by omitting and misrepresenting material facts regarding investments. Claimants further alleged suitability, negligence, and failure to supervise. Claimants maintained that due to Respondents' actions, they suffered a financial loss. Claimants' claim involved annuities and mutual funds.

Claim Data

Claim: \$22,500.00
Punitive: Unspecified
Interest: Unspecified
Attorney Fees: Unspecified
Filing Fees: Unspecified
Other: \$.00

Award Data

Award: \$7,500.00
Punitive: \$.00
Interest: \$.00
Attorney Fees: \$2,500.00
Filing Fees: \$425.00
Other: \$.00

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondent American General Securities Incorporated is liable and shall pay to the Claimant \$1,875.00. 2) Respondent Hartford Securities Distribution Co. is liable and shall pay to the Claimant \$1,875.00. 3) Respondent Leroy Jack Smith is liable and shall pay to the Claimant \$1,875.00. 4) Respondent Hartford Equity Sales Company, Inc. is liable and shall pay to the Claimant \$1,875.00. 5) Respondent American General Securities Incorporated is liable and shall pay to the Claimant \$625.00 for

attorney fees pursuant to Section 10215 of the Code of Arbitration Procedure. 6) Respondent Hartford Securities Distribution Co. is liable and shall pay to the Claimant \$625.00 for attorney fees pursuant to Section 10215 of the Code of Arbitration Procedure. 7) Respondent Leroy Jack Smith is liable and shall pay to the Claimant \$625.00 for attorney fees pursuant to Section 10215 of the Code of Arbitration Procedure. 8) Respondent Hartford Equity Sales Company, Inc. is liable and shall pay to the Claimant \$625.00 for attorney fees pursuant to Section 10215 of the Code of Arbitration Procedure. 9) All requests for punitive damages are denied. 10) All requests for interest are denied. 11) All other relief requests are denied. 12) NASD Dispute Resolution shall retain the \$425.00 filing fee that the Claimant deposited previously. 13) Respondent American General Securities Incorporated is liable and shall pay Claimant \$106.25 as reimbursement of one fourth of the filing fee. 13) Respondent Hartford Securities Distribution Co. is liable and shall pay Claimant \$106.25 as reimbursement of one fourth of the filing fee. 14) Respondent Leroy Jack Smith is liable and shall pay Claimant \$106.25 as reimbursement of one fourth of the filing fee. 15) Respondent Hartford Equity Sales Company, Inc. is liable and shall pay Claimant \$106.25 as reimbursement of one fourth of the filing fee.

OTHER FEES: Pursuant to Rule 10333 of the Code, Respondents American General Securities Incorporated, Hartford Securities Distribution Co., and Hartford Equity Sales Company, Inc. have paid to NASD Dispute Resolution the \$425.00 Member Surcharge previously invoiced.

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Kurt D. Steiner, CPA

Sole Public Arbitrator

AFFIRMATION

I, Kurt D. Steiner, CPA, 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.

Kurt D. Steiner

Kurt D. Steiner, CPA

5/9/2006

(Signature Date)

May 11, 2006

Date of Service (For NASD-DR office use only)