

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

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In the Matter of the Arbitration Between:

Walter H. Worra, Claimant v. Royal Alliance Associates, Inc. and Ronald A. Knight,  
Respondents

Case Number: 05-04672

Hearing Site: Los Angeles, California

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

**REPRESENTATION OF PARTIES**

For Claimant:

Steve A. Buchwalter, Esq.  
Law Offices of Steve A. Buchwalter, P.C.  
Encino, California

For Respondents:

Gregory M. Curley, Esq.  
Royal Alliance Associates, Inc.  
New York, New York

Melissa Lam, Esq.  
Jones, Bell, Abbott, Fleming and Fitzgerald LLP  
Los Angeles, California

**CASE INFORMATION**

Statement of Claim filed: September 2, 2005

Amended Statement of Claim filed: May 5, 2006

Claimant's Uniform Submission Agreement signed: undated

Joint Statement of Answer filed by Respondents: November 3, 2005

Joint Statement of Answer to Amended Statement of Claim filed by Respondents: May  
9, 2006

Respondent Royal Alliance Associates, Inc.'s Uniform Submission Agreement signed:  
November 3, 2005

Respondent Ronald A. Knight's Uniform Submission Agreement signed: October 28, 2005

### **CASE SUMMARY**

In the Statement of Claim, Claimant alleged fraud, deceit, misrepresentation, omission of material fact, negligence, breach of fiduciary duty, elder abuse, and unsuitability, involving an American Skandia annuity.

In the Amended Statement of Claim, Claimant added the allegation of failure to supervise.

In their Answers, Respondents denied the allegations of wrongdoing set forth in the Claimant's Statements of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statements of Claim, Claimant requested \$23,026.33 in compensatory damages, treble punitive damages, interest, and costs, including attorney's fees.

In their Answers, Respondents requested dismissal of the Claimant's Statements of Claim in their entirety.

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

On April 10, 2006, Claimant filed a Motion to Amend Statement of Claim pursuant to the NASD Code of Arbitration Procedure ("Code") Rule 10328(b). On April 19, 2006, Respondents filed a Response to Claimant's Motion to Amend. On April 25, 2006, Claimant filed a Reply in Support of the Motion to Amend. On May 4, 2006, the Panel issued a ruling granting Claimant's Motion to Amend the Statement of Claim.

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**

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

- 1) Respondent Ronald A. Knight is liable to and shall pay Claimant the sum of \$16,457.36 in compensatory damages.
- 2) Claimant's claims against Respondent Royal Alliance Associates, Inc. are dismissed with prejudice.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) 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	= \$ 225.00
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#### **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 Royal Alliance Associates, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 1,700.00</u>
<b>Total Member Fees</b>	<b>= \$ 3,550.00</b>

#### **Adjournment Fees**

The following adjournment fees are assessed:

June 19-20, 2006 hearing adjournment requested by Claimant	= \$ 750.00
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The Panel waived \$750.00 of the adjournment fees.

### **Forum Fees and Assessments**

The Panel assessed forum fees for each session conducted or each decision rendered on a discovery motion on the papers. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four hours or less. Fees associated with these proceedings are:

2 Decisions for discovery motions on the papers with one arbitrator @ \$200.00 each	= \$ 400.00
Claimant and Respondents submitted a Motion to Compel	
2 Pre-hearing conference sessions with the Panel @ \$750.00/session	= \$1,500.00
Pre-hearing conferences: February 17, 2006 1 session	
June 15, 2006 1 session	
4 Hearing sessions @ \$750.00/session	= \$ 3,000.00
Hearings: June 21, 2006 2 sessions	
June 26, 2006 2 sessions	
<b>Total Forum Fees</b>	<b>= \$ 4,900.00</b>

The Panel assessed \$4,900.00 of the forum fees to Respondent Ronald A. Knight.

### **Fee Summary**

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

Initial Filing Fee	= \$ 225.00
<u>Less payments</u>	= \$( 975.00)
<b>Refund Due Claimant</b>	<b>= \$( 750.00)</b>
2. Respondent Royal Alliance Associates, Inc. is charged with the following fees and costs:

Member Fees	= \$ 3,550.00
<u>Less payments</u>	= \$(5,250.00)
<b>Refund Due Respondent Royal Alliance Associates, Inc.</b>	<b>= \$(1,700.00)</b>
3. Respondent Ronald A. Knight is charged with the following fees and costs:

Forum Fees	= \$ 4,900.00
<u>Less payments</u>	= \$( 0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 4,900.00</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.

**ARBITRATION PANEL**

Anita Rae Shapiro	-	Public Arbitrator, Presiding Chair
Morris S. Getzels	-	Public Arbitrator
Eric S. Smith	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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Anita Rae Shapiro  
Chair, Public Arbitrator

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Signature Date

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Morris S. Getzels  
Public Arbitrator

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Signature Date

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Eric S. Smith  
Non-Public Arbitrator

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Signature Date

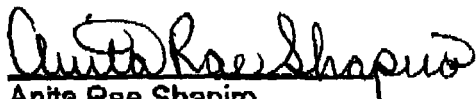
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Date of Service

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Chair, Public Arbitrator

  
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6/27/06  
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