

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Gilbert C. Varnes Jr. (Claimant) v. USAllianz Securities, Inc. (Respondent)

Case Number: 06-00776

Hearing Site: Newark, New Jersey

Nature of the Dispute: Associated Person v. Member

REPRESENTATION OF PARTIES

Claimant Gilbert C. Varnas, Jr., hereinafter referred to as "Claimant": Sheldon M. Finkelstein, Esq., Podvey, Meanor, Catenacci, Hildner, Coccoziello & Chattman, Newark, NJ.

Respondent USAllianz Securities, Inc., hereinafter referred to as "Respondent": Bryant D. Tchida, Esq., Leonard, Street and Deinard, Minneapolis, MN.

CASE INFORMATION

Statement of Claim filed on or about: February 16, 2006.
Claimant signed the Uniform Submission Agreement: February 14, 2006.
Answer to the Motion to Dismiss filed on or about: May 22, 2006.

Statement of Answer filed by Respondent on or about: April 10, 2006.
Respondent signed the Uniform Submission Agreement: April 10, 2006.
Motion to Dismiss filed by Respondent on or about: April 10, 2006.

CASE SUMMARY

Claimant asserted the following cause of action: indemnification. The cause of action related to the current respondent's conduct during another NASD Arbitration naming both Gilbert C. Varnes, Jr., and USAllianz Securities, Inc.

Unless specifically admitted in its Answer, Respondent USAllianz Securities, Inc., denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages, punitive damages, counsel fees and costs in the sum of not less than \$500,000.00.

OTHER ISSUES CONSIDERED AND DECIDED

A telephonic pre-hearing conference was held on July 19, 2006, during which the Panel heard oral arguments on Respondent USAllianz Securities, Inc.'s Motion to Dismiss. After due deliberation of the parties written submissions and oral arguments, the Panel granted Respondent's 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 evidence presented the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The claim against USAllianz Securities, Inc., is dismissed in its entirety with prejudice.
2. 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
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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 person at the time of the events giving rise to the dispute. In this matter, USAllianz Securities, Inc., is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel @ \$1,125.00	= \$ 2,250.00
Pre-hearing conferences: June 20, 2006 1 session	
July 19, 2006 1 session	
<hr/> Total Forum Fees	<hr/> = \$ 2,250.00

1. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Gilbert C. Varnes has been assessed \$ 1,125.00 of the forum fees.

2. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure USAllianz Securities, Inc., has been assessed \$ 1,125.00 of the forum fees.

Fee Summary

1. Claimant Gilbert C. Varnes, Jr., is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 1,125.00</u>
Total Fees	= \$ 1,425.00
<u>Less payments</u>	<u>= \$ 1,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent USAllianz Securities, Inc., is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	<u>= \$ 1,125.00</u>
Total Fees	= \$ 6,325.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 1,125.00

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

ARBITRATION PANEL

Yvonne F. Rocco, Esq.	-	Public Arbitrator, Presiding Chairperson
Angela A. Turiano, Esq.	-	Public Arbitrator
Thomas M. Amadio	-	Non-Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures

Yvonne F. Rocco
Yvonne F. Rocco, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Angela A. Turiano, Esq.
Public Arbitrator

Signature Date

Thomas M. Amadio
Non-Public Arbitrator

Signature Date

July 26, 2006
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Yvonne F. Rocco, Esq.	-	Public Arbitrator, Presiding Chairperson
Angela A. Turiano, Esq.	-	Public Arbitrator
Thomas M. Amadio	-	Non-Public Arbitrator

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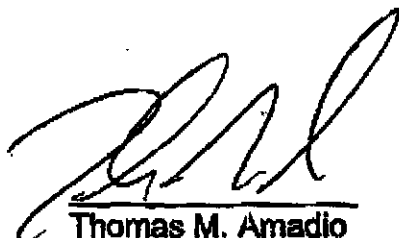
Concurring Arbitrators' Signatures

Yvonne F. Rocco, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Angela A. Turiano, Esq.
Public Arbitrator

Signature Date


Thomas M. Amadio
Non-Public Arbitrator

7/25/06
Signature Date

July 26, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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Yvonne F. Rocco, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



~~Non-Public Arbitrator~~
Angela A. Turiano, Esq.
Public Arbitrator

7/26/06
Signature Date

Thomas M. Amadio
Non-Public Arbitrator

Signature Date

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