

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between: Linda W. Peterson v. Principal Financial Securities, Inc., Everen Securities, Inc., Clifton M. Price, et al

Case Number: 99-04915

Hearing Site: Houston, Texas

REPRESENTATION OF PARTIES

Claimant Linda W. Peterson hereinafter referred to as "Claimant": William J. Hawkins, Esq., Spring, Texas.

Respondents, Principal Financial Securities, ("Principal") Inc., Everen Securities, Inc., ("Everen") Clifton M. Price, ("Price") Thomas H. Vann ("Vann"), Douglas A. Potter ("Potter") hereinafter collectively referred to as "Respondents": David G. Larmore, Esq. of Ungaretti & Harris, Chicago Illinois.

CASE INFORMATION

Statement of Claim filed on or about: November 1, 1999.

Claimant signed the Uniform Submission Agreement: September 8, 1999.

Joint Statement of Answer filed by Respondents on or about: March 8, 2000.

Respondent Everen signed the Uniform Submission Agreement: March 2, 2000.

Respondent Price signed the Uniform submission Agreement: March 1, 2000.

Respondent Vann signed the Uniform submission Agreement: March 8, 2000.

Respondent Potter signed the Uniform Submission Agreement February 28, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: Churning, Unsuitability, Fraud, Breach of Fiduciary duty, and Failure to properly Supervise. All of these allegations are in connection with the trading of common stock.

Unless specifically admitted in their Joint Statement of Answer, Respondents Denied the allegations set forth in the Statement of Claim and asserted the following affirmative

defenses: Ratification, Estoppel, Waiver, Customer Profits, Failure to mitigate, Statute of Limitations, Laches, Assumption of the Risk, Contributory negligence, no private cause of action and no reasonable basis for damages.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 636, 113.06
Punitive Damages	\$1,000,000.00
Interest	\$ 90,816.40
Attorneys' Fees	\$ Unspecified
Other Costs	\$ Unspecified
Other Monetary/Non-Monetary Relief if any:	

Respondents requested that the claims against them be dismissed in their entirety

OTHER ISSUES CONSIDERED AND DECIDED

At the time of the Arbitration, after hearing the parties' presentations, the panel dismissed Claimant's claims against Thomas H. Vann, Douglas Allen Porter, and Thomas H. Vann with prejudice.

AWARD

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

1. Respondents Principal Financial Securities, Inc., Everen Securities, Inc. and Clifton M. Price are jointly and severally liable for and shall pay to the Claimant Linda W. Peterson the sum of \$ 41,517.00 in compensatory damages, plus 10% interest per annum from the date of service of this award until the award is paid in full.
2. Respondents Principal Financial Securities, Inc., and Everen Securities, Inc. are jointly and severally liable for and shall pay to the Claimant Linda W. Peterson the sum of \$166,207.91 in attorneys' fees. In deciding to award attorneys' fees the panel considered the arguments of the parties as well as the pleadings filed in the arbitration and determined that the authority existed for an award of attorneys' fees.
3. Respondents Principal Financial Securities, Inc. and Everen Securities, Inc. are jointly and severally liable and shall pay to Claimants the sum of \$1,200.00 as

- reimbursement for an adjournment fee.
4. Unless specifically enumerated herein, each party is liable for their own costs
 5. Any relief not specifically awarded herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 500.00
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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(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) the Respondent's firm.

Member surcharge	= \$ 2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 4,500.00

Adjournment Fees

Adjournments requested during these proceedings:

May 22- 24, 2001, adjournment by Claimant = \$ 1,200.00

Forum Fees and Assessments

The panel has the authority to assess forum fees for each hearing session conducted. 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:

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00	= \$ 900.00
Pre-hearing conferences	
February 20, 2001	1 session
May 23, 2001	1 session
Three (3) Pre-hearing session(s) with Panel x \$ 1200.00	= \$ 3,600.00
Pre-hearing conferences:	
September 18, 2000	1 session
November 10, 2000	1 session
September 25, 2001	
Eight (8) Hearing sessions x \$1,200.00	= \$ 9,600.00

Hearing Date(s):	September 4, 2001	3 sessions
	September 5, 2001	3 sessions
	September 6, 2001	2 sessions

Total Forum Fees	= \$ 14,100.00
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1. The panel has assessed \$ 13,350.00 of the forum fees to Respondents Principal Financial Services, Inc., and Everen Securities Inc., jointly and severally.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 1,200.00
Forum Fees	= \$ 00
Total Fees	= \$ 1,700.00
<u>Less payments</u>	<u>= \$ 1,700.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 00

3. Respondent Everen Securities is solely liable for:

Member Fees	= \$ 7,600.00
<u>Less payments</u>	<u>= \$ 7,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 00

4. Respondents Principal Financial Services, and Everen Securities, are jointly and severally liable for:

Forum Fees	= \$ 13,350.00
<u>Less Payments</u>	<u>= \$ 4,500.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 8,850.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

R. Lee Britton Jr., Esq.
Sharon Jevett Hemphill, Esq.
Charles E. Martin, CPA

- Public, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

R. Lee Britton Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Sharon Jevett Hemphill, Esq.
Public Arbitrator

Signature Date

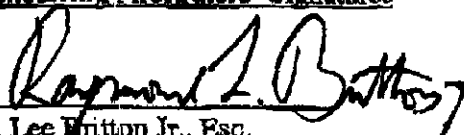
Charles E. Martin, CPA
Non-Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

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Concurring Arbitrators' Signatures



R. Lee Britton Jr., Esq.
Public Arbitrator, Presiding Chair

10-17-01
Signature Date

Sharon Jevett Hemphill, Esq.
Public Arbitrator

Signature Date

Charles E. Martin, CPA
Non-Public Arbitrator

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R. Lee Britton Jr., Esq.
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Signature Date

Sharon Jevert Hemphill
Sharon Jevert Hemphill, Esq.
Public Arbitrator

10-22-01
Signature Date

Charles E. Martin, CPA
Non-Public Arbitrator

Signature Date

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10/17/01 WED 12:45 FAX

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R. Lee Britton Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Sharon Jevert Hemphill, Esq.
Public Arbitrator

Signature Date



10-17-01

Charles E. Martin, CPA
Non-Public Arbitrator

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