

AWARD
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Barbara Irsch

vs.

Case Number: 06-03232
Hearing Site: Milwaukee, Wisconsin

Names of Respondents

WMA Securities, Inc.,
United Securities Alliance, Inc.,
Woodbury Financial Services, Inc., and
World Group Securities, Inc.

NATURE OF THE DISPUTE

Customer vs. Members

REPRESENTATION OF PARTIES

Barbara Irsch ("Claimant") was represented by David P. Neuman, Esq., Stoltmann Law Offices, P.C., Chicago, Illinois.

WMA Securities, Inc. ("WMA") was represented by William H. McClain, Esq., Merritt & Tenney LLP, Atlanta, Georgia.

United Securities Alliance, Inc. ("United Securities") was represented by Jeffrey J. Cannella, United Securities Alliance, Inc., Greenwood Village, Colorado.

Woodbury Financial Services, Inc. ("Woodbury") was represented by Jeffrey D. Hedland, Esq., Faegre & Benson LLP, Minneapolis, Minnesota.

World Group Securities, Inc. ("World Group") was represented by Robert G. Brunton, Esq., World Group Securities, Inc., Duluth, Georgia, and Steven M. Malina, Esq., Morgan Lewis & Bockius, LLP, Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about July 10, 2006. Claimant's Amended Statement of Claim was submitted on or about August 1, 2006. Claimant's Second

Amended Statement of Claim was filed on or about November 9, 2007. The Submission Agreement of Claimant was signed on or about July 25, 2006.

The Statement of Answer was filed by WMA on or about August 18, 2006. The Statement of Answer to Claimant's Amended Statement of Claim was filed on or about September 21, 2006. The Statement of Answer to Claimant's Second Amended Statement of Claim was filed on or about January 18, 2008. The Submission Agreement of WMA was signed on or about September 21, 2006.

The Statement of Answer and Motion to Dismiss was filed by United Securities on or about September 18, 2006. The Statement of Answer to Claimant's Second Amended Statement of Claim, and Alternatively, Motion to Dismiss was filed on or about December 6, 2007. The Submission Agreement of United Securities was signed on or about September 18, 2006.

The Statement of Answer and Alternatively, Motion to Dismiss was filed by Woodbury on or about August 14, 2006. The Submission Agreement of Woodbury was signed on or about October 19, 2006.

Claimant submitted a Motion for Leave to Amend the Statement of Claim and (proposed) Third Amended Statement of Claim on or about October 2, 2008. An Objection to Claimant's Motion was submitted on behalf of Patrick Emanuel Sutherland, Michael Washington Jones and a Special Appearance and Objection was filed on behalf of Ronald Bloomingkemper, Ronald James Petrinovich and U.S. Alliance Holdings, Inc., by Carla Minckley, Esq., Birge & Minckley, P.C., Centennial, Colorado on or about October 23, 2008. An Objection to Claimant's Motion was submitted by Dana L. Davis on or about October 16, 2008. An Objection to Claimant's Motion was filed by Jeffrey James Cannella on or about October 16, 2008. A Correction to Objection was filed by Dana L. Davis on or about October 2, 2008. Claimant's Response to Objection filed by Dana L. Davis was filed on or about December 5, 2009. Claimant's Agreement to Dismiss Jeffrey Cannella from the (proposed) Third Amended Statement of Claim was filed on or about December 5, 2008. Claimant's Response to Objection filed by Sutherland, Jones, Bloomingkemper, Petrinovich, and U.S. Alliance Holdings, Inc. was filed on or about December 5, 2008. Claimant's Agreement to Dismiss Dana L. Davis from the (proposed) Third Amended Statement of Claim was filed on or about December 22, 2008. A Reply Supporting Objection to Claimant's Motion for Leave to File Third Amended Statement of Claim was filed on behalf of Patrick Emanuel Sutherland and Michael Washington Jones and a Special Appearance and Reply Supporting Objection filed on behalf of Ronald Bloomingkemper, Ronald James Petrinovich, and U.S. Alliance Holdings, Inc. was filed on or about December 29, 2008, by Carla B. Minckley, Esq.

WMA submitted a Motion to Dismiss on or about January 22, 2008. Claimant filed a Response to WMA's Motion to Dismiss on or about January 31, 2008. Claimant responded to United Securities' Motion to Dismiss and filed a Motion for Sanctions (against

United Securities) on or about January 31, 2008. United Securities filed a Response to Claimant's Motion for Sanctions on or about February 1, 2008.

CASE SUMMARY

Claimant asserted the following causes of action: violations of state securities laws; breach of fiduciary duty; violations of NASD Conduct Rules; breach of contract; common law fraud, misrepresentations and omissions; respondeat superior; and negligence and negligent supervision. The causes of action related Claimant's allegations that her financial advisor induced her to purchase several variable annuities and variable life insurance policies, which were unsuitable for Claimant. The securities involved included a Western Reserve Variable Annuity policy and a Western Reserve Variable Life Insurance policy.

Unless specifically admitted in its Answer, WMA denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the variable annuity Claimant purchased was not unsuitable at the time of purchase; WMA did not violate any securities laws of the state of Wisconsin; WMA did not owe any fiduciary duty to Claimant.

Unless specifically admitted in its Answer, United Securities denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: United Securities met or exceeded the standard of care in the handling of Claimants accounts; Claimant explicitly chose and agreed to the investment that was purchased, and therefore, has waived any right to relief; and Claimant voluntarily assumed the risk of loss.

Unless specifically admitted in its Answer, Woodbury denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant's Statement of Claim fails to state a claim upon which relief can be granted; there is no private cause of action for violations of NASD rules; and Woodbury maintained an adequate supervisory system in place.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$499,999.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

At the close of the hearing, Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$169,329.00
Interest	\$ 58,437.00
Attorneys' Fees	\$ 61,710.00
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent WMA requested that the claims asserted against it be dismissed in their entirety and that it be awarded its costs and attorneys' fees.

Respondent United Securities requested that the claims asserted against it be dismissed in their entirety.

Respondent Woodbury requested that the claims asserted against it be dismissed in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The Panel acknowledges that they have each read the pleadings and other materials filed by the parties.

Pursuant to the Order, entered on or about November 5, 2007, by the United States District Court, Eastern District of Wisconsin, World Group Securities, Inc. was removed as a party to this arbitration.

Claimant voluntarily dismissed Woodbury Financial Services, Inc. with prejudice on or about November 7, 2007.

In its Order entered on or about February 26, 2008, the Panel denied Claimant's Motion for Sanctions, WMA's Motion to Dismiss, and United Securities' Motion to Dismiss.

After initially hearing Claimant's arguments on the Motion to file Amended Statement of Claim on November 14, 2008, the Panel entered an Order on or about November 19, 2008. In the Order, the Panel allowed Claimant and counsel for the Proposed Respondents to submit additional briefing regarding Claimant's Motion to Amend and participate in oral arguments. After consideration of oral arguments on January 20, 2009, and the paper submissions, in its Order entered on or about February 16, 2009, the Panel denied Claimant's Motion to Amend Statement of Claim submitted October 2, 2008.

Respondents WMA and United Securities did not appear at the hearing on April 21, 2009.

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned Panel determined that Respondents WMA Securities, Inc. and United Securities Alliance, Inc., have been properly served with the Statement of Claim and

received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents WMA Securities, Inc. and United Securities Alliance, Inc. present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

At the hearing, Claimant withdrew her claims against WMA Securities, Inc. with prejudice.

The appearing party has 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 the evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent United Securities Alliance, Inc. is liable for and shall pay to Claimant, Barbara Irsch, the sum of \$169,000.00 in compensatory damages;
- 2.) Respondent United Securities Alliance, Inc. is liable for and shall pay to Claimant, Barbara Irsch, pre-judgment interest on the above-stated sum in the amount of \$58,000.00;
- 3.) Respondent United Securities Alliance, Inc. is liable for and shall pay to Claimant, Barbara Irsch, post-judgment interest on the sum of \$169,000.00 at the rate of 5% per annum from and including the service date of this Award through and including the date the Award is paid in full;
- 4.) Respondent United Securities Alliance, Inc. is liable for and shall pay to Claimant, Barbara Irsch, the sum of \$300.00 as reimbursement for Claimant's Filing Fee;
- 5.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 6.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial Claim filing fee = \$ 300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as parties, WMA Securities, Inc. and United Securities Alliance, Inc. are assessed the following:

Member surcharge = \$ 1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 2,750.00

Accordingly, as parties, Woodbury Financial Services, Inc. and World Group Securities, Inc. are assessed the following:

Member surcharge = \$ 1,700.00

Adjournment Fees

Adjournments granted during these proceedings:

July 15-18, 2009, adjournment requested jointly by the parties Waived

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena

One (1) arbitrator @ \$200.00 (maximum of \$600) = \$ 200.00

Total Contested Motion for Issuance of a Subpoena Fees = \$ 200.00

The Panel has assessed \$200.00 of the contested motion for issuance of a subpoena fees to WMA Securities, Inc.

Forum Fees and Assessments

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

Five (5) Pre-hearing sessions with Panel x \$1,125.00		= \$ 5,625.00
Pre-hearing conferences:		
January 7, 2008	1 session	
February 7, 2008	1 session	
October 1, 2008	1 session	
November 14, 2008	1 session	
January 20, 2009	1 session	
One (1) Hearing session x \$1,125.00		= \$ 1,125.00
Hearing Date:	April 14, 2009	1 session
Total Forum Fees		= \$ 6,750.00

The Panel has assessed \$6,750.00 of the forum fees jointly and severally to WMA Securities, Inc. and United Securities Alliance, Inc.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

David J. Hase - Public Arbitrator, Presiding Chair
James Lewis Malloy - Public Arbitrator
Sharon A. Green - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ David J. Hase
David J. Hase
Public Arbitrator, Presiding Chair

04/22/09
Signature Date

/s/ James Lewis Malloy
James Lewis Malloy
Public Arbitrator

04/22/09
Signature Date

/s/ Sharon A. Green
Sharon A. Green
Non-Public Arbitrator

04/23/09
Signature Date

04/23/09
Date of Service (For FINRA office use only)

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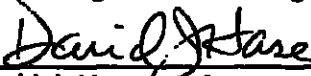
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David J. Hase
Public Arbitrator, Presiding Chair

4-22-09

Signature Date

James Lewis Malloy
Public Arbitrator

Signature Date

Sharon A. Green
Non-Public Arbitrator

Signature Date

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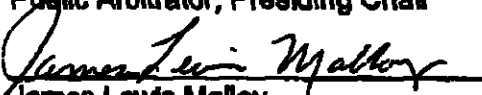
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Concurring Arbitrators' Signatures:

David J. Hase
Public Arbitrator, Presiding Chair


James Lewis Malloy
Public Arbitrator

Signature Date
April 22 '09

Signature Date

Sharon A. Green
Non-Public Arbitrator

Signature Date

Date of Service (For FINRA office use only)

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Concurring Arbitrators' Signatures:

David J. Hase
Public Arbitrator, Presiding Chair

Signature Date

James Lewis Malloy
Public Arbitrator

Signature Date

Sharon A. Green
Non-Public Arbitrator

 23 APR 09

Signature Date

Date of Service (For FINRA office use only)