

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 01-02439

Janet H. Helseth and C. Bryan Harwell,
As Co-Executors of the
Estate of Virginia B. Edwards

Name of the Respondents

Hearing Site: Nashville, Tennessee

J.J.B. Hilliard, W.L. Lyons, Inc.;
PNC Bank Corp.;
PNC Financial Services Group, Inc.; and
PNC HL Holding Corp.

REPRESENTATION OF PARTIES

Claimants Janet H. Helseth and C. Bryan Harwell, As Co-Executors of the Estate of Virginia B. Edwards, hereinafter referred to as "Claimant": H. Naill Falls, Jr., Falls & Veach, Nashville, Tennessee.

Respondents, J.J.B. Hilliard, W.L. Lyons, Inc. ("Hilliard Lyons") and PNC Bank Corporation, PNC Financial Services Group, Inc., and PNC HL Holdings Corporation (hereinafter collectively referred to as the "PNC Respondents"): Charles W. Hill, Esq. Glanker Brown PLLC, Memphis, Tennessee.

CASE INFORMATION

Statement of Claim filed on or about: May 9 2001.

Janet H. Helseth and C. Bryan Helseth, Co-Executors of the Estate of Virginia B. Edwards, signed the Uniform Submission Agreement: May 4, 2001

Joint Statement of Answer filed by the PNC Respondents and Respondent Hilliard Lyons on or about: June 28, 2001.

Kenneth L. Wagner, Senior Vice President of Respondent J.J.B. Hilliard, W.L. Lyons, Inc., signed the Uniform Submission Agreement: May 14, 2001.

PNC Respondents did not file executed submission agreements.

CASE SUMMARY

Claimants asserted the following causes of action: Breach of Fiduciary Duty, Churning,

Misrepresentations and Suitability. The causes of action relate to the purchases and unauthorized trades of high yield bonds, including the sale of municipal bonds.

Claimants alleged that Respondent Hilliard Lyons is legally responsible for the account executive responsible for managing the Claimants' account under the doctrine of respondeat superior and under the "controlling persons" provisions of federal and state securities laws.

Finally, Claimants have alleged that the PNC Respondents are legally responsible for the actions of Hilliard Lyons under the "controlling persons" provisions of the federal and state securities laws.

Unless specifically admitted in the Statement of Answer, Respondent Hilliard Lyons denied the allegations made in the Statement of Claim and asserted the following defenses:

1. Claimants have failed to state a claim upon which relief can be granted.
2. The Statement of Claim fails to set forth sufficient facts to support claims for fraud under SEC Rule 10b-5, the Tennessee Securities Act or common law.
3. Claimants are estopped from or have waived their right to pursue their claims by virtue of the Claimants' knowledge of the risks associated with the transactions complained of and their expressed willingness to pursue those transactions.
4. The Claimants are barred from any recovery due to the expiration of the one year and three year statutes of limitation applicable to private actions brought under Section 10(b) of the Securities & Exchange Act of 1934 (Rule 10b-5).
5. The Respondents assert that Claimants committed acts of comparative fault to such a degree that Claimants are barred from any recovery or, alternatively, that any recovery awarded the Claimants should be reduced in accordance with the percentage of comparative fault assessed to the Claimants.
6. The Respondents assert that any claims brought under the Tennessee Securities Act, T.C.A. §48-2-121 are barred by the one-year and two year statutes of limitations found at T.C.A. §48-2-122 said claims having been brought more than two years after the transactions complained of or more than one year after discovery of the facts giving rise to a cause of action.
7. The Respondents assert that the Claimants have failed to mitigate their damages.

RELIEF REQUESTED

Claimants Janet H. Helseth and C. Bryan Harwell, As Co-Executors of the Estate of Virginia B. Edwards, requested:

Compensatory Damages	\$ 1,000,000.00
Punitive Damages	\$ 500,000.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Plus other Monetary/Non-Monetary Relief, if any.	

Respondents Hilliard Lyons and the PNC Respondents requested that the Statement of Claim be dismissed in its entirety and that the Claimants be ordered to pay Respondents' costs and any other relief deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents PNC Bank Corp., PNC Financial Services Group, Inc., and PNC HL Holding Corp. did not file executed submission agreements, but answered and participated in the arbitration. However, at hearing the Claimants presented a Motion to Dismiss the PNC Respondents. The panel granted the Motion and the hearing proceeded against Respondent J.J.B. Hilliard, W.L. Lyons, Inc.

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. Respondent J.J. B. Hilliard, W.L. Lyons, Inc. is solely liable for and shall pay to Claimants Janet H. Helseth and C. Bryan Harwell, As Co-Executors of the Estate of Virginia B. Edwards, compensatory damages in the amount of \$375,000.00, plus interest at a rate of 10% per annum accruing from May 4, 2001 and ceasing upon complete and final payment of the award;
2. In addition, Respondent J.J.B. Hilliard, W.L. Lyons, Inc. is solely liable for and shall pay to Claimants Janet H. Helseth and C. Bryan Harwell, As Co-Executors of the Estate of Virginia B. Edwards, the sum of \$50,000.00 as attorney's fees. In deciding to award attorneys' fees, the panel considered the parties arguments and submissions, as well as T.C.A. Section 48-2-122(f), and determined that authority existed for an award of attorney's fees to the Claimant;
3. The claims against Respondents PNC Bank Corp., PNC Financial Services Group, Inc., and PNC HL Holding Corp. are dismissed with prejudice;
4. Except as otherwise specified herein, each party shall bear its own costs and attorney's fees; and
5. 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 = \$ 500.00

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 event giving rise to the dispute. Accordingly, J.J.B. Hilliard, W.L. Lyons, Inc. is a party to this matter and assessed the following member fees:

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

Forum Fees and Assessments

The Panel has assessed forum fees for each 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:

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$ 1,200.00
Pre-hearing conference: November 21, 2001

Five (5) Hearing sessions @ \$1,200.00 = \$ 6,000.00
Hearing Date: June 24, 2002 2 sessions
June 25, 2002 2 sessions
June 26, 2002 1 session

Total Forum Fees = \$ 7,200.00

The Arbitrator Panel has assessed the entire \$7,200.00 of the forum fees to Respondent J.J.B. Hilliard, W.L. Lyons, Inc.

EEE SUMMARY

Claimants Janet H. Helseth and C. Bryan Harwell, As Co-Executors of the Estate of Virginia B. Edwards, are solely liable for:

Initial Filing Fee = \$ 500.00
Less payments = \$ 1,700.00
Balance Refunded by NASD Dispute Resolution = \$ 1,200.00

Respondent J.J.B. Hilliard, W. L. Lyons, Inc. is solely liable for:

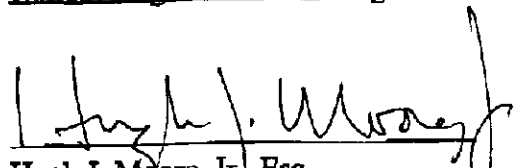
Member Fees = \$ 7,600.00
Forum Fees = \$ 7,200.00
Total Fees = \$14,800.00
Less payments = \$ 7,600.00
Balance Due NASD Dispute Resolution, Inc. = \$ 7,200.00

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

ARBITRATION PANEL

Hugh J. Moore, Jr., Esq. - Public Arbitrator, Presiding Chair
Robert J. Warner, LLB - Public Arbitrator
Andrew J. Spurgeon - Non-Public Arbitrator

Concurring Arbitrators' Signatures



Hugh J. Moore, Jr., Esq.
Public Arbitrator, Presiding Chairperson

7/20/02

Signature Date

Robert J. Warner, Jr., LLB
Public Arbitrator

Signature Date

Andrew J. Spurgeon
Non-Public Arbitrator

Signature Date

7/29/02 mda

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

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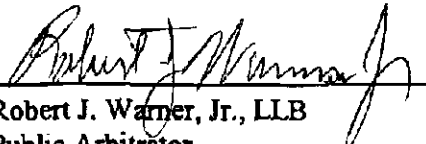
ARBITRATION PANEL

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Robert J. Warner, LLB - Public Arbitrator
Andrew J. Spurgeon - Non-Public Arbitrator

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Public Arbitrator, Presiding Chairperson

Signature Date



Robert J. Warner, Jr., LLB
Public Arbitrator



Signature Date

Andrew J. Spurgeon
Non-Public Arbitrator

Signature Date



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Public Arbitrator, Presiding Chairperson

Signature Date

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Public Arbitrator

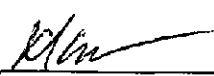
Signature Date



Andrew J. Spurgeon
Non-Public Arbitrator

7-22-02

Signature Date

7/29/02 

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