

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Charles D. Terry

Case No. 01-03287

Names of Respondents

Rex Dale "Corky" Ennis, Jr.
American Investment Services, Inc.

Hearing Site: Little Rock, AR

REPRESENTATION OF PARTIES

For Charles D. Terry hereinafter referred to as "Claimant": Gary P. Barket, Esq., Little Rock, AR.

For Respondent Rex Dale "Corky" Ennis, Jr. ("Ennis"): Matthew Blayne McCoy, Esq. of Hilburn Calhoon Harper Pruniski & Calhoon, LTD, North Little Rock, AR.

For Respondent American Investment Services, Inc. ("AIS"): Jennifer Pratt, AIS, East Peoria, IL.

CASE INFORMATION

Statement of Claim filed on or about: June 20, 2001.

Claimant signed the Uniform Submission Agreement: May 30, 2001.

Statement of Answer filed by Respondent Ennis on or about: August 21, 2001.

Respondent Ennis signed the Uniform Submission Agreement: August 8, 2001.

Statement of Answer filed by Respondent AIS on or about: August 21, 2001.

Respondent AIS signed the Uniform Submission Agreement: July 2, 2001.

Claimant's Motion to Preclude Respondents AIS and Ennis ("Motion to Preclude") filed on or about: March 12, 2002.

Response to Motion to Preclude filed by Respondent Ennis on or about: March 15, 2002.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; breach of fiduciary duty; and, violation of state and federal securities laws. The causes of action relate to the purchase of \$32,100.00 of Geneva Steel Senior Notes, 11.125 percent and \$27,037.50 of Global Ocean U.S. Domestic Notes, 10.25 percent.

Unless specifically admitted in his Answer, Respondent Ennis denied the allegations made in the Statement of Claim and asserted various affirmative defenses including: failure to state a cause

of action; Respondent Ennis did not defraud Claimant; and, Respondent Ennis never made any untrue statement of a material fact.

Unless specifically admitted in its Answer, Respondent AIS denied the allegations made in the Statement of Claim and asserted various affirmative defenses including: failure to state a claim for relief; Claimant's claims are barred by the applicable statutes of limitations; and, failure to mitigate damages.

RELIEF REQUESTED

Claimant requested compensatory damages of \$38,187.50, loss of opportunity damages of \$11,296.00, disgorgement of commissions, interest, costs, and attorneys' fees.

Respondent Ennis requested dismissal of the Statement of Claim, reimbursement of costs and attorneys' fees, and all other relief to which he may be entitled.

Respondent AIS requested dismissal of the Statement of Claim, reimbursement of costs, and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 20, 2002, the Panel issued an order which granted the Motion to Preclude as to Respondent AIS but denied the Motion as it pertained to Respondent Ennis.

Respondent AIS did not attend the evidentiary hearing in this matter. Upon review of the file and the representations made by/on behalf of the Claimant, the Panel determined that Respondent AIS has 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 Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

The parties present at the hearing 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 at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondents AIS and Ennis are liable, jointly and severally, and shall pay to Claimant compensatory damages in the sum of \$29,444.00. The compensatory damages are awarded based upon Respondents' breach of conduct and suitability (NASD Rule 2310) and lack of internal supervision and compliance reviews as to client's objectives and financial situation.

Respondents AIS and Ennis are liable, jointly and severally, and shall pay to Claimant attorneys' fees in the sum of \$7,939.00 pursuant to the contract between the parties.

Respondent AIS is liable and shall pay to Claimant additional attorneys' fees in the sum of \$1,000.00 pursuant to the contract between the parties.

Respondents AIS and Ennis are liable, jointly and severally, and shall pay to Claimant costs in the sum of \$1,061.00.

Respondents AIS and Ennis are liable, jointly and severally, and shall pay to Claimant the additional sum of \$1,000.00 representing reimbursement of Claimant's expert witness costs.

Any and all relief requests not specifically addressed herein are 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	= \$175.00
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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 is a party.

Member surcharge	= \$800.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$1,000.00

Adjournment Fees

Adjournments requested during these proceedings:

No requests for adjournment were filed in this matter.

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:

One (1) Pre-hearing session with Panel x \$600.00	= \$600.00
Pre-hearing conference: December 21, 2001 1 session	

Two (2) Hearing sessions x \$600.00 = \$1,200.00
Hearing Date: March 26, 2002 2 sessions

Total Forum Fees = \$1,800.00

The Panel has assessed \$900.00 of the forum fees to Respondent AIS.
The Panel has assessed \$900.00 of the forum fees to Respondent Ennis.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimant be and hereby is solely liable for:

Initial Filing Fee = \$175.00

Total Fees = \$175.00

Less payments = \$175.00

Balance Due NASD Dispute Resolution, Inc. = \$0.00

Respondent AIS be and hereby is solely liable for:

Member Fees = \$2,400.00

Forum Fees = \$900.00

Total Fees = \$3,300.00

Less payments = \$800.00

Balance Due NASD Dispute Resolution, Inc. = \$2,500.00

Respondent Ennis be and hereby is solely liable for:

Forum Fees = \$900.00

Total Fees = \$900.00

Less payments = \$0.00

Balance Due NASD Dispute Resolution, Inc. = \$900.00

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon

receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

B. Jeffrey Pence, Esq.	-	Public Arbitrator, Presiding Chair
Robert T. Allen, Jr.	-	Public Arbitrator
David B. Coates	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

B. Jeffrey Pence, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/

Robert T. Allen, Jr.
Public Arbitrator

Signature Date

/s/

David B. Coates
Non-Public Arbitrator

Signature Date

May 1, 2002

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

NASD Dispute Resolution, Inc.

Arbitration No. 01-03287

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receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

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Robert T. Allen, Jr.

David B. Coates

Public Arbitrator, Presiding Chair

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures

B. Jeffrey Pence
B. Jeffrey Pence, Esq.
Public Arbitrator, Presiding Chair

4/29/02
Signature Date

Robert T. Allen, Jr.
Public Arbitrator

Signature Date

David B. Coates
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution, Inc.

Arbitration No. 01-03287

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Public Arbitrator, Presiding Chair

Robert T. Allen, Jr.

-

Public Arbitrator

David B. Coates

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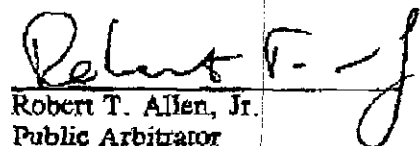
Non-Public Arbitrator

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B. Jeffrey Pence, Esq.

Public Arbitrator, Presiding Chair

Signature Date

Robert T. Allen, Jr.
Public Arbitrator4/30/02
Signature Date

David B. Coates

Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution, Inc.

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Award Page 5

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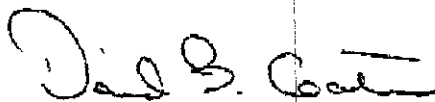
Concurring Arbitrators' Signatures

B. Jeffrey Pence, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Robert T. Allen, Jr.
Public Arbitrator

Signature Date



David B. Coates
Non-Public Arbitrator

4/29/02

Signature Date

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