
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Morgan Keegan & Company, Inc.

Case Number: 02-05126

Names of the Respondents

Glenn Herrin

Jana Herrin

Hearing Site: Atlanta, Georgia

Names of the Third Party Respondents

Regions Bank

Regions Investment Management Holding Company, Inc.

Regions Financial Corporation

Leonard Clifton Skelton, Jr.

Nature of the Dispute: Member vs. Customer vs. Non-Member and Associated Person.

REPRESENTATION OF PARTIES

For Morgan Keegan & Company, Inc. ("MKC"), hereinafter referred to as "Claimant": Shea O'Brien Hicks, Esq., Vice President, Associate Attorney, MKC, Memphis, Tennessee.

For Respondent Jana Herrin ("JH"): James R. Sturdivant, Esq., Harrington & Sturdivant, Birmingham, Alabama.

Respondent Glenn Herrin ("GH") appeared pro se.

For Regions Bank ("RB"), Regions Investment Management Holding Company, Inc. ("RIMH"), Regions Financial Corporation ("RFC"), and Leonard Clifton Skelton, Jr. ("Skelton"), hereinafter collectively referred to as "Third Party Respondents": Steven A. Rowe, Esq., Adams and Reese/Lange Simpson, LLP, Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: August 29, 2002.

Claimant signed the Uniform Submission Agreement: August 29, 2002.

Statement of Answer and Counterclaim filed by Respondent JH on or about: June 4, 2003.

Respondent JH did not file an executed Uniform Submission Agreement.

Respondent GH did not file a Statement of Answer or an executed Uniform Submission Agreement.

Response to Counterclaim filed by Claimant on or about: July 25, 2003.

Answer to Counterclaim filed by Third Party Respondents on or about: December 1, 2003.

Motion for Summary Judgment filed by Third Party Respondents RB, RIMH and RFC on or about: December 1, 2004.

Third Party Respondent Skelton signed the Uniform Submission Agreement: December 10, 2003.
Third Party Respondents RB, RIMH and RFC signed the Uniform Submission Agreements: January 29, 2004.
Response to Motion for Summary Judgment filed by Respondent JH on or about: February 27, 2004.

CASE SUMMARY

Claimant asserted that Respondents failed to pay for the purchase in Respondents' joint account of 350,000 shares of the common stock, IBEAM Broadcast Corp.

Unless specifically admitted in her Answer, Respondent JH denied the allegations made in the Statement of Claim and asserted various defenses. Additionally, Respondent JH asserted the following causes of action against Claimant and Third Party Respondents: breach of contract; fraudulent misrepresentation; negligent misrepresentation; and suppression of material facts.

Unless specifically admitted in its Response to the Counterclaim, Claimant denied the allegations made in the Counterclaim and asserted various defenses.

Unless specifically admitted in their Answer to the Counterclaim, Third Party Respondents denied the allegations made in the Counterclaim and asserted various defenses.

RELIEF REQUESTED

Claimant requested compensatory damages of \$39,435.94, and such additional and further relief as deemed just and appropriate by the Panel. Claimant further requested that Respondent JH's counterclaim be dismissed, and that Claimant be awarded attorneys' fees and costs.

Respondent JH requested judgment against Claimant and Third Party Respondents, jointly and severally, for compensatory damages in the amount of approximately \$58,000.00, plus interest and fees, punitive damages, attorneys' fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent GH did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the account-opening Client Agreement executed by Respondent GH, and is bound by the determination of the Panel on all issues submitted.

Respondent JH did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to a court order dated April 3, 2003 issued by the Circuit Court of Jefferson County, Alabama, and is bound by the determination of the Panel on all issues submitted.

On or about March 13, 2003, Claimant filed with NASD Dispute Resolution a notice of settlement with respect to Respondent GH.

On or about June 13, 2003, the Panel issued an Order in which the Panel rendered judgment in favor of Claimant and against Respondent GH in the amount of \$39,435.94, as agreed upon by Claimant and

Respondent GH pursuant to their settlement agreement dated March 12, 2003. Claimant, Respondent GH and the Panel agreed that this judgment would be incorporated into the final Award in this matter.

Third Party Respondents RB, RIMH and RFC filed a motion for summary judgment, which asserted among other things, that no genuine issues of material fact exist in this matter, and that Alabama's Uniform Commercial Code precludes Respondent JH from asserting her claims. In her response, Respondent JH asserted, among other things, that an issue of fact does exist in this matter, and that the statutory protections cited by Third Party Respondents RB, RIMH and RFC do not apply. On or about April 27, 2004, the Panel issued an Order which stated that the Panel would issue its ruling on Third Party Respondents RB, RIMH and RFC's motion for summary judgment after the parties submitted additional documentation and presented oral argument to the Panel at the commencement of the evidentiary hearing on the following issues: (1) the Panel's authority to decide the issue of summary judgment; and (2) the issues raised by Third Party Respondents RB, RIMH and RFC in their motion.

On or about June 23, 2004, Claimant, Respondent JH and Third Party Respondents filed with NASD Dispute Resolution a notice of settlement.

On or about July 16, 2004, Claimant, Respondent JH and Third Party Respondents filed with NASD Dispute Resolution, for review and approval by the Panel, an executed Consent Award ("Consent Award").

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

After considering the pleadings, the Consent Award submitted by the parties and the record in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Judgment is entered against Respondent GH in the amount of \$39,435.94 on Claimant's claim for the deficit balance in Morgan Keegan account number 11119682. Respondent GH has acknowledged in writing his responsibility for this deficit balance due to his failure to pay for 350,000 shares of IBEAM Broadcast Corp. purchased for the account of Respondent GH and Respondent JH, numbered 11119682.

Respondent JH shall execute whatever documents and take whatever actions are necessary to allow Claimant to collect all monies, securities or the like currently held in account number 60035359 and apply it to the deficit balance located in Morgan Keegan account number 11119682.

Claimant's claim against Respondent JH is dismissed with prejudice.

Respondent JH's counterclaims and third party claims against Claimant and Third Party Respondents are all dismissed with prejudice.

The Panel recommends that all references to the above-captioned arbitration be expunged from Third Party Respondent Skelton's registration records maintained by the NASD CRD, with the understanding that pursuant

to NASD Notices to Members 99-09 and 99-54, Third Party Respondent Skelton must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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	= \$1,000.00
Counterclaim/Third Party claim filing fee	= \$ 225.00

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. Accordingly, Claimant is a member firm and a party.

Member Surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,625.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 27, 28, 29, 30, 2003; adjournment by Third Party Respondents	= \$ 450.00
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The Panel assessed the adjournment fee of \$450.00 to Respondent JH.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

Injunctive relief fees were not assessed in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 the Panel @ \$750.00/session	= \$1,500.00
Pre-hearing conferences: January 27, 2004 1 session	
April 27, 2004 1 session	

Three (3) Pre-hearing sessions with a single arbitrator @ \$450.00/session	= \$1,350.00
Pre-hearing conferences:	
January 28, 2003	1 session
May 20, 2003	1 session
October 7, 2003	1 session

Total Forum Fees	= \$2,850.00
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Pursuant to the agreement of Claimant, Respondent JH and Third Party Respondents, the Panel has assessed forum fees as follows:

\$950.00 to Claimant and Third Party Respondent Skelton, jointly and severally;
\$475.00 to Respondent JH; and
\$1,425.00 to Third Party Respondents RB, RIMH and RFC, jointly and severally;

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
<u>Member Fees</u>	= \$2,625.00
Total Fees	= \$3,625.00
<u>Less Payments</u>	= \$3,625.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent JH is solely liable for:

Counterclaim/Third Party Claim Filing Fee	= \$ 225.00
Adjournment Fee	= \$ 450.00
Forum Fees	= \$ 475.00
<u>Hearing Session Deposit balance due per Rule 10332(f) of the Code</u>	= \$ 275.00
Total Fees	= \$1,425.00
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,425.00

Third Party Respondents RB, RIMH and RFC are jointly and severally liable for:

<u>Forum Fees</u>	= \$1,425.00
Total Fees	= \$1,425.00
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,425.00

Claimant and Third Party Respondent Skelton are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 950.00
<u>Total Fees</u>	= \$ 950.00
<u>Less Payments</u>	= \$ 950.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

W. William Harness, Esq.	-	Public Arbitrator, Presiding Chairperson
Robert N. Leitch, Esq.	-	Public Arbitrator
Phillip S. McKinney, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
W. William Harness, Esq.
Public Arbitrator, Presiding Chairperson

July 30, 2004
Signature Date

/s/
Robert N. Leitch, Esq.
Public Arbitrator

August 12, 2004
Signature Date

/s/
Phillip S. McKinney, Esq.
Non-Public Arbitrator

July 30, 2004
Signature Date

August 12, 2004
Date of Service (For NASD Dispute Resolution office use only)

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Claimant and Third Party Respondent Skelton are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 950.00
<u>Total Fees</u>	= \$ 950.00
<u>Less Payments</u>	= \$ 950.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

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W. William Harness, Esq.
Robert N. Leitch, Esq.
Phillip S. McKinney, Esq.

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Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures



W. William Harness, Esq.
Public Arbitrator, Presiding Chairperson


Signature Date

Robert N. Leitch, Esq.
Public Arbitrator

Signature Date

Phillip S. McKinney, Esq.
Non-Public Arbitrator

Signature Date

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



AUG. 12. 2004 4:03PM

NASD REGULATIONS

NO. 425 P. 1

NASD Dispute Resolution

Arbitration No. 02-05126

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Claimant and Third Party Respondent Skelton are jointly and severally liable for:

Forum Fees	= \$ 950.00
Total Fees	= \$ 950.00
Less Payments	= \$ 950.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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-

Public Arbitrator, Presiding Chairperson

Robert N. Leitch, Esq.

-

Public Arbitrator

Phillip S. McKinney, Esq.

-

Non-Public Arbitrator

Concurring Arbitrators' Signatures

W. William Harness, Esq.

Public Arbitrator, Presiding Chairperson

Signature Date

8/12/04

Robert N. Leitch, Esq.

Public Arbitrator

Signature Date

Phillip S. McKinney, Esq.

Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution
Arbitration No. 02-05126
Stipulated Award Page 6

Claimant and Third Party Respondent Skelton are jointly and severally liable for:

Forum Fees	= \$ 950.00
Total Fees	= \$ 950.00
Less Payments	= \$ 950.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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Robert N. Leitch, Esq.	-	Public Arbitrator
Phillip S. McKinney, Esq.	-	Non-Public Arbitrator


Concurring Arbitrators' Signatures

W. William Harness, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Robert N. Leitch, Esq.
Public Arbitrator

Signature Date



Phillip S. McKinney, Esq.
Non-Public Arbitrator

7/30/04

Signature Date

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