

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Christopher Hidalgo IRA and Christopher Hidalgo as
Custodian of the account of Paul C. Hidalgo, UGMA

Case Number: 02-07090

Name of the Respondent

Morgan Keegan & Company, Inc. and
John Edward Miller III

Hearing Site: Baltimore, MD

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

REPRESENTATION OF PARTIES

Claimants, Christopher Hidalgo IRA ("Hidalgo") and Christopher Hidalgo as Custodian of the account of Paul C. Hidalgo, UGMA ("UGMA account") hereinafter collectively referred to as "Claimants", were represented by Kim Steven Juhase, Esq., Novak & Juhase, Roseland, New Jersey.

Respondents, Morgan Keegan & Company, Inc. ("Morgan Keegan") and John Edward Miller III ("Miller") hereinafter collectively referred to as "Respondents", were represented by Michele L. Fowler, Esq., Morgan Keegan & Company, Inc., Memphis, Tennessee.

CASE INFORMATION

Statement of Claim filed on November 21, 2002.

Claimant Hidalgo signed the Uniform Submission Agreement on November 8, 2002.

Statement of Answer filed by Respondents on February 28, 2003.

Respondent Miller signed the Uniform Submission Agreement on or about February 28, 2003.

A representative of Respondent Morgan Keegan executed the Uniform Submission Agreement on February 27, 2003.

CASE SUMMARY

Claimants asserted the following causes of action, among others: breach of fiduciary duty, suitability, breach of contract, negligence, and *respondeat superior*. The causes of action relate to the purchase of various unspecified stocks.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: the claims are barred by the doctrines of ratification, waiver, estoppel, contributory/comparative negligence, laches and assumption of the risk; failure to mitigate damages; and the Statement of Claim fails to state a claim upon which relief may be granted.

RELIEF REQUESTED

Claimants in their Statement of Claim requested:

Compensatory Damages	\$100,000.00
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified

Respondents in their Statement of Answer requested: that all claims be dismissed with prejudice, that Respondents be awarded all fees and costs, and that the Arbitration Panel (the "Panel") recommend the expungement of all references to this matter from the record of Respondent Miller maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondents Morgan Keegan and Miller are denied in their entirety;
2. All claims for punitive damages and attorneys' fees are denied in their entirety;
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Miller's registration records maintained by CRD, with the understanding that, pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Miller must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
4. The parties shall bear their respective costs, except as Fees are specifically addressed below; and,
5. Any and all relief not specifically addressed herein is denied in its entirety.

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 = \$ 225.00

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 person(s) at the time of the events giving rise to the dispute. Accordingly, Morgan Keegan is a party.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$1,700.00</u>
Total Member Fees	= \$3,550.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the 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 @ \$750.00 = \$ 750.00
Pre-hearing conference: October 21, 2003 1 session

Three (3)) Hearing sessions @ \$750.00 = \$2,250.00
Hearing Dates: May 25, 2004 1 session
May 26, 2004 2 sessions

Total Forum Fees = \$3,000.00

1. The Panel has assessed \$1,500.00 of the forum fees to Claimants.
2. The Panel has assessed \$1,500.00 of the forum fees to Respondent Morgan Keegan.

FEE SUMMARY

1. Claimants are assessed and shall pay the following fees:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	<u>= \$ 1,500.00</u>
Total Fees	= \$ 1,725.00
<u>Less payments</u>	<u>= \$ 1,425.00</u>
Balance Due NASD	= \$ 300.00

2. Respondent Morgan Keegan is assessed and shall pay the following fees:

Member Fees	= \$ 3,550.00
<u>Forum Fees</u>	<u>= \$ 1,500.00</u>
Total Fees	= \$ 5,050.00
<u>Less payments</u>	<u>= \$ 6,300.00</u>
Refund Due Morgan Keegan	= \$ 1,250.00

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

ARBITRATION PANEL

John Dapray Muir, Esq.
Richard F. Bieker, PhD
George R. Hannaway

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

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NASD DISPUTE RESOLUTION

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Consenting Arbitrators' Signatures

John Depray Muir, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Richard F. Bicker
Richard F. Bicker, PhD
Public Arbitrator, Panelist

6/13/04
Signature Date

George R. Hammarway
Non-Public Arbitrator, Panelist

Signature Date

6/22/04
Date of Service (For NASD Dispute Resolution office use only)

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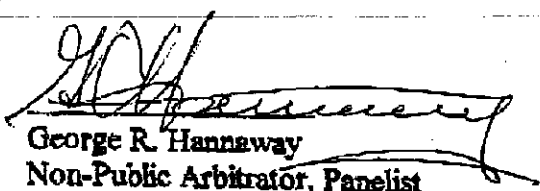
Concurring Arbitrators' Signatures

John Depray Muir, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Richard F. Bieker, PhD
Public Arbitrator, Panelist

Signature Date


George R. Hannaway
Non-Public Arbitrator, Panelist

6-16-04
Signature Date


6/22/04
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Concurring Arbitrators' Signatures


John Dapray Muir, Esq.
Public Arbitrator, Presiding Chairperson

June 9, 2004
Signature Date

Richard F. Bieker, PhD
Public Arbitrator, Panelist

Signature Date

George R. Hannaway
Non-Public Arbitrator, Panelist

Signature Date

6/22/04
Date of Service (For NASD Dispute Resolution office use only)