

**Award  
NASD Dispute Resolution**

---

In the Matter of the Arbitration Between:

Name of the Claimant  
Wachovia Securities, LLC

Case Number: 02-07757

Name of the Respondent  
Morgan Keegan & Company, Inc.  
Ralph E. Huey, Jr.

Hearing Site: Raleigh, NC

---

Nature of the Dispute: Member v. Member and Associated Person.

**REPRESENTATION OF PARTIES**

Claimant, Wachovia Securities, LLC, hereinafter referred to as "Claimant", was represented by John E. MacDonald Esq., Stark & Stark, P.C., Princeton, New Jersey.

Respondent, Morgan Keegan & Company, Inc. ("Morgan Keegan"), was represented by James T. Ritt, Esq., Morgan Keegan & Company, Inc., Memphis, Tennessee.

Respondent, Ralph E. Huey, Jr. ("Huey"), was represented by Norman B. Smith, Esq., Smith, James, Rowlett & Cohen, LLP, Greensboro, North Carolina.

**CASE INFORMATION**

Statement of Claim filed on December 24, 2002.

A representative of Claimant signed the Uniform Submission Agreement on January 9, 2002.

Respondent Morgan Keegan did not file a Statement of Answer or a Uniform Submission Agreement with NASD Dispute Resolution.

Statement of Answer filed by Respondent on March 21, 2003.

Respondent Huey signed the Uniform Submission Agreement on March 19, 2003.

**CASE SUMMARY**

Claimant asserted the following causes of action: breach of contract, conversion, misuse of property and unfair competition. The causes of action relate to promissory notes.

Unless specifically admitted in his Answer, Respondent Huey denied the allegations made in the Statement of Claim and asserted the following defenses, among others: accord and satisfaction, duress, and failure of consideration.

### **RELIEF REQUESTED**

Claimant requested:

Compensatory Damages	\$ 420,764.37
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondent Huey requested that Claimant recover nothing and that Respondent Huey's attorney's fees, costs and expenses be paid by Claimant.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent Morgan Keegan did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and is bound by the determination of the Arbitration Panel (the "Panel") on all issues submitted.

On November 25, 2003, Claimant dismissed all claims against Respondent Morgan Keegan.

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

1. Claimant's claims are denied in their entirety;
2. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
3. Any and all relief not specifically addressed herein, including punitive damages, 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 = \$ 1,000.00

**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 events giving rise to the dispute. Accordingly, Claimant and Respondent Morgan Keegan are parties.

Claimant  
Member surcharge = \$ 1,700.00  
Pre-hearing process fee = \$ 750.00  
Hearing process fee = \$ 2,750.00

Respondent Morgan Keegan  
Member surcharge = \$ 1,700.00  
Pre-hearing process fee = \$ 750.00  
Hearing process fee = \$ 2,750.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

February 18-20, 2004, adjournment by Respondent Huey = \$ 1,125.00

**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 @ \$ 1,125.00 = \$ 1,125.00  
Pre-hearing conference: September 25, 2003 1 session

Two (2) Hearing sessions @ \$ 1,125.00 = \$ 2,250.00  
Hearing Date: April 19, 2004 2 sessions

Total Forum Fees = \$ 3,375.00

The Panel has assessed \$ 3,375.00 of the forum fees to Claimant.

**Fee Summary**

1. Claimant is assessed and shall pay:

Initial Filing Fee = \$ 1,000.00  
Member Fees = \$ 5,200.00  
Forum Fees = \$ 3,375.00  
Total Fees = \$ 9,575.00

Less payments	= \$ 7,325.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

2. Respondent Morgan Keegan is assessed and shall pay:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 2,450.00
Balance Due NASD Dispute Resolution	= \$ 2,750.00

3. Respondent Huey is assessed and shall pay:

Adjournment Fee	= \$ 1,125.00
Total Fees	= \$ 1,125.00
Less payments	= \$ 1,125.00
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**

Virginia S. Carson, Esq.	-	Public Arbitrator, Presiding Chairperson
Karen J. Montgomery	-	Public Arbitrator, Panelist
Donald Cornelius Morrison, Sr.	-	Non-Public Arbitrator, Panelist

**Concurring Arbitrators' Signatures**

*Virginia S. Carson*

Virginia S. Carson, Esq.  
Public Arbitrator, Presiding Chairperson

5/28/04

Signature Date

Karen J. Montgomery  
Public Arbitrator, Panelist

Signature Date

Donald Cornelius Morrison, Sr.  
Non-Public Arbitrator, Panelist

Signature Date

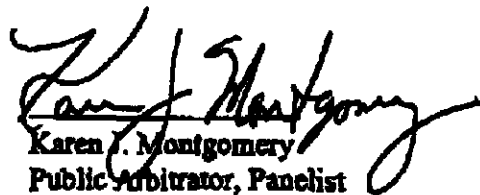
*May 28, 2004*  
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution  
Arbitration No. 02-07757  
Award Page 5

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Virginia S. Carson, Esq.  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

  
Karen J. Montgomery  
Public Arbitrator, Panelist

5/26/04  
Signature Date

\_\_\_\_\_  
Donald Cornelius Morrison, Sr.  
Non-Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

May 28, 2004  
Date of Service (For NASD Dispute Resolution office use only)

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Virginia S. Carson, Esq.  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Karen J. Montgomery  
Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

Donald Cornelius Morrison, Sr.  
Donald Cornelius Morrison, Sr.  
Non-Public Arbitrator, Panelist

MAY 28, 2004  
Signature Date

May 28, 2004  
Date of Service (For NASD Dispute Resolution office use only)