

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of Claimants

John D. Hagan
Barry A. Henry
Orville Hudgins
John Manning and
Daniel W. Murtha

vs.

Case Number: 03-01935
Hearing Site: Louisville, Kentucky

Names of Respondents

J.J.B. Hilliard, W.L. Lyons, Inc. and
David T. Barnett

NATURE OF DISPUTE

Customers v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

John D. Hagan , Barry A. Henry , Orville Hudgins, John Manning, and Daniel W. Murtha ("Claimants") were represented J. Daniel Landrum, Esq., Louisville, Kentucky.

J.J.B. Hilliard, W.L. Lyons, Inc. ("J.J.B. Hilliard") and David T. Barnett, ("Barnett") hereinafter collectively referred to as "Respondents," were represented by Joseph Simms, Esq., Ulmer & Berne LLP, Cleveland, Ohio.

CASE INFORMATION

The Statement of Claim was filed on or about March 19, 2003.

The Uniform Submission Agreement of John D. Hagan, Barry A. Henry, Orville Hudgins, and Daniel W. Murtha were signed on or about February 25, 2003.

The Uniform Submission Agreement of John Manning was signed on September 9, 2003.

The Statement of Answer was filed jointly by Respondents, J.J.B. Hilliard, W.L. Lyons, Inc., and David T. Barnett, on or about October 19, 2004.

The Uniform Submission Agreement of Respondent, J.J.B. Hilliard, W.L. Lyons, Inc., was signed on or about March 31, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, negligence, failure to supervise, breach of fiduciary duty, misrepresentations and suitability. The causes of action arose from the purchase of various unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted a number of factual and affirmative defenses, including the fact that the recommended investments were suitable, ratification, and waiver.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$ 766,976.91
Punitive/Damages	\$ 766,976.91
Interest	Unspecified
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees and that the panel recommend that all the references to this matter be expunged from the CRD records of David T. Barnett.

OTHER ISSUES CONSIDERED & DECIDED

Respondent, David T. Barnett, did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, and appeared and testified through counsel at the pre-hearing conference is bound by the determination of the arbitration panel on all issues submitted.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

Pursuant to parties' agreement, and after considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Each and every one of Claimants' claims asserted against Respondents are hereby dismissed with prejudice;
- 2.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent David T. Barnett's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Barnett must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) Any outstanding NASD fees will be paid by Respondent, J.J.B. Hilliard; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain 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 events giving rise to the dispute. J.J. B. Hilliard, W.L. Lyons, Inc., is a member firm.

Member surcharge = \$2,800.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$5,000.00

Forum Fees and Assessments

The panel assesses forum fees for each hearing session conducted. A hearing 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 x \$1,200.00	= \$1,200.00
Pre-hearing conference: December 3, 2003 1 session	
Total Forum Fees	= \$1,200.00

The panel has assessed \$ 1,200.00 of the forum fees to Respondent, J.J.B. Hilliard, W.L. Lyons, Inc.

Fee Summary

Claimants, John D. Hagan, Barry A. Henry, Orville Hudgins, John Manning, and Daniel W. Murtha, are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Total Fees	= \$ 500.00
Less payments	= \$1,700.00
Balance Refunded to Claimants	= \$1,200.00

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

Member Fee	= \$8,550.00
Forum Fees	= \$1,200.00
Total Fees	= \$9,750.00
Less payments	= \$8,850.00
Balance Due NASD Dispute Resolution	= \$1,200.00

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

ARBITRATION PANEL

Hugh C. Durbin – Public Arbitrator, Presiding Chair
John P. McShane- Public Arbitrator
Elijah T. Kirk- Non-Public Arbitrator

Concurring Arbitrators:

/s/ Hugh C. Durbin
Hugh C. Durbin
Public Arbitrator, Presiding Chair

11/08/04
Signature Date

/s/ John P. McShane
John P. McShane
Public Arbitrator

11/10/04
Signature Date

/s/ Elijah T. Kirk
Elijah T. Kirk
Non-Public Arbitrator

11/05/04
Signature Date

11/15/04
Date of Service (For NASD office use only)

ARBITRATION PANEL

Hugh C. Durbin – Public Arbitrator, Presiding Chair
John P. McShane- Public Arbitrator
Elijah T. Kirk- Non-Public Arbitrator

Concurring Arbitrators:

Hugh C. Durbin
Hugh C. Durbin
Public Arbitrator, Presiding Chair

8 November 2004
Signature Date

John P. McShane
Public Arbitrator

Signature Date

Elijah T. Kirk
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Hugh C. Durbin – Public Arbitrator, Presiding Chair
John P. McShane- Public Arbitrator
Elijah T. Kirk- Non-Public Arbitrator

Concurring Arbitrators:

Hugh C. Durbin
Public Arbitrator, Presiding Chair



John P. McShane
Public Arbitrator

Signature Date

11-10-04
Signature Date

Elijah T. Kirk
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Hugh C. Durbin – Public Arbitrator, Presiding Chair
John P. McShane- Public Arbitrator
Elijah T. Kirk- Non-Public Arbitrator

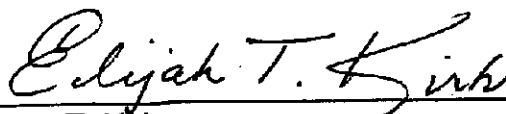
Concurring Arbitrators:

Hugh C. Durbin
Public Arbitrator, Presiding Chair

Signature Date

John P. McShane
Public Arbitrator

Signature Date



Elijah T. Kirk
Non-Public Arbitrator



Signature Date

Date of Service (For NASD office use only)