

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Melva J. Thompson, IRA
Clement Thompson

Case Number: 03-01966

Names of the Respondents

J.J.B. Hilliard, W.L. Lyons, Inc.
C. Mark Hall

Hearing Site: Raleigh, NC

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

REPRESENTATION OF PARTIES

Claimants, Melva J. Thompson, IRA and Clement Thompson, hereinafter collectively referred to as "Claimants", were represented by Andrew O. Whiteman, Esq., Hartzell & Whiteman, LLP, Raleigh, North Carolina.

Respondents, J.J.B. Hilliard, W.L. Lyons, Inc. ("Hilliard, Lyons") and C. Mark Hall ("Hall"), hereinafter collectively referred to as "Respondents", were represented by Elin Brenner Young, Esq., Ulmer & Berne, LLP, Cleveland, Ohio.

CASE INFORMATION

Statement of Claim filed on March 18, 2003.

Amended Statement of Claim filed on April 3, 2003.

Claimants signed the Uniform Submission Agreement on March 14, 2003.

Statement of Answer filed by Respondents on June 13, 2003.

A representative of Respondent Hilliard, Lyons signed the Uniform Submission Agreement on June 11, 2003.

Respondent Hall signed the Uniform Submission Agreement on June 3, 2003.

CASE SUMMARY

Claimants asserted the following causes of action, among others: negligence, violation of N.C.G.S. 78A-56(a), negligent misrepresentation, and breach of fiduciary duty. The causes of action relate to the purchase and sale of mutual funds and various securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimants' claims are barred by the doctrines of laches, estoppel, and waiver; ratification; contributory negligence; assumption of the risk; failure to mitigate damages; Claimants' claims are barred by the statute of

limitations; and, failure to state a claim upon which relief may be granted.

RELIEF REQUESTED

Claimants requested compensatory damages in an amount to be proved at trial that is between \$50,000.00 and \$100,000.00; punitive damages; interest; attorney's fees; and, other costs.

Respondents requested that they be dismissed from this matter and that costs, forum fees and attorneys' fees be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

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, the Arbitration Panel (the "Panel") has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable to and shall pay to Claimants the sum of \$39,460.35 in compensatory damages, plus simple interest at a rate of 8% per annum accruing from September 22, 1999 until the award is paid in full;
2. Respondents are jointly and severally liable to and shall pay to Claimants the sum of \$13,153.45 in attorney's fees, pursuant to N.C.G.S § 2310;
3. Respondents are jointly and severally liable to and shall pay to Claimants the sum of \$1,515.00 in costs;
4. Respondents are jointly and severally liable to and shall pay to Claimants the sum of \$225.00 as reimbursement for the initial-claim filing fee;
5. The parties shall bear their respective costs except as awarded above and as Fees are specifically addressed below; and,
6. 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 = \$ 225.00

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, Respondent Hilliard, Lyons is a party.

Member surcharge = \$ 1,100.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 1,700.00

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:

Two (2) Pre-hearing sessions with Panel @ \$ 750.00 = \$ 1,500.00

Pre-hearing conferences: December 3, 2003 1 session
April 9, 2004 1 session

Five (5) Hearing sessions @ \$ 750.00 = \$ 3,750.00

Hearing Dates: May 4, 2004 2 sessions
May 5, 2004 2 sessions
May 6, 2004 1 session

Total Forum Fees = \$ 5,250.00

The Panel has assessed \$ 5,250.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants are assessed and shall pay:

Initial Filing Fee = \$ 225.00
Total Fees = \$ 225.00
Less payments = \$ 975.00
Refund owed Claimant = \$ 750.00

2. Respondent J.J.B. Hilliard is assessed and shall pay:

Member Fees = \$ 3,550.00
Total Fees = \$ 3,550.00
Less payments = \$ 3,550.00
Balance Due NASD Dispute Resolution = \$ 0.00

3. Respondents are jointly and severally assessed and shall pay:

Forum Fees	= \$ 5,250.00
Total Fees	= \$ 5,250.00
Less Payments	= \$ 2,450.00
Balance Due NASD Dispute Resolution	= \$ 2,800.00

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

ARBITRATION PANEL

W. Allen Schmitt	-	Public Arbitrator, Presiding Chairperson
Lynne T. Albert, Esq.	-	Public Arbitrator, Panelist
John D. Robb	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

W. Allen Schmitt

W. Allen Schmitt
Public Arbitrator, Presiding Chairperson

5/10/04

Signature Date

Lynne T. Albert, Esq.
Public Arbitrator, Panelist

Signature Date

John D. Robb
Non-Public Arbitrator, Panelist

Signature Date

May 13, 2004
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

W. Allen Schmitt
Public Arbitrator, Presiding Chairperson

Signature Date


Lynne T. Albert, Esq.
Public Arbitrator, Panelist

5/11/04
Signature Date

John D. Robb
Non-Public Arbitrator, Panelist

Signature Date

May 13 2004
Date of Service (For NASD Dispute Resolution office use only)


Concurring Arbitrators' Signatures

W. Allen Schmitt
Public Arbitrator, Presiding Chairperson

Signature Date

Lynne T. Albert, Esq.
Public Arbitrator, Panelist

Signature Date


John D. Robb
Non-Public Arbitrator, Panelist

5-11-04
Signature Date

May 13, 2004
Date of Service (Use NASD Dispute Resolution office use only)