

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Newton J. Kellackey (Claimant) v. Halliburton & Associates, Inc., Penson Financial Services, Inc., and David J. Halliburton (Respondents)

Case Number: 03-02117

Hearing Site: Cleveland, Ohio

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

REPRESENTATION OF PARTIES

Claimant Newton J. Kellackey ("Kellackey") hereinafter referred to as "Claimant":
James A. DeRoche, Esq., Garson & Associates Co., L.P.A., Cleveland, OH.

Respondent Penson Financial Services, Inc., ("Penson"): Wm. David Simmons, Esq.,
McGuire, Craddock & Strother, P.C., Dallas, TX.

Respondents Halliburton & Associates, Inc., ("Halliburton & Associates") and David J.
Halliburton ("D. Halliburton") appeared *pro se* through David J. Halliburton, Clearwater,
FL.

Penson, Halliburton & Associates, and D. Halliburton are hereinafter collectively referred
to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about: March 18, 2003.

Claimant's Opposition to Motion to Dismiss filed on or about: June 18, 2003.

Claimant's Renewed Opposition to Motion to Dismiss filed on or about: December 15,
2003.

Claimant signed the Uniform Submission Agreement: March 11, 2003.

Statement of Answer including Motion to Dismiss filed by Respondent Penson on or
about: May 19, 2003.

Respondent Penson signed the Uniform Submission Agreement: April 2, 2003.

Statement of Answer filed by Respondents Halliburton & Associates and D. Halliburton
on or about: June 17, 2003.

Respondent Halliburton & Associates signed the Uniform Submission Agreement: June
16, 2003.

Respondent D. Halliburton signed the Uniform Submission Agreement: June 16, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: fraud; breach of fiduciary duty; SRO Rule violations; violations of state securities statutes; unsuitability; and misrepresentation. Claimant's claim involved municipal bonds.

Unless specifically admitted in its Answer, Respondent Penson denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in their Answer, Respondents Halliburton & Associates and D. Halliburton denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$500,000.00; punitive damages in the amount of \$1,000,000.00; attorneys' fees in the amount of \$200,000.00; all forum fees and costs, including expert witness fees; and such other and further relief as the Panel may find just and reasonable in this matter.

Respondent Penson requested that the case be dismissed.

Respondents Halliburton & Associates and D. Halliburton requested that Claimant's claims be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 26, 2004, Claimant notified NASD Dispute Resolution that he settled his claims against Respondent Penson, and those claims were withdrawn.

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, and 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. Respondents Halliburton & Associates and D. Halliburton are jointly and severally liable for and shall pay to Claimant compensatory damages in the amount of \$480,000.00.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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	= \$500.00
--------------------------	------------

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 at the time of the events giving rise to the dispute. Accordingly, Penson Financial Services, Inc. is a party.

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

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 at the time of the events giving rise to the dispute. Accordingly, Halliburton & Associates, Inc. is a party.

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

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the 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 @ \$1,200.00	= \$1,200.00
Pre-hearing conference: November 10, 2003	1 session

Two (2) Hearing sessions @ \$1,200.00	= \$2,400.00
Hearing Date: March 29, 2004	2 sessions

Total Forum Fees	= \$3,600.00
------------------	--------------

1. The Panel has assessed \$1,600.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,600.00 of the forum fees jointly and severally against Respondents Halliburton & Associates and D. Halliburton.
3. The Panel has assessed \$400.00 of the forum fees against Respondent Penson.

Fee Summary

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 500.00
Forum Fees	= \$1,600.00
Total Fees	= \$2,100.00
Less payments	= \$1,700.00
Balance Due NASD Dispute Resolution	= \$ 400.00
2. Person is solely liable for:	
Member Fees	= \$8,550.00
Forum Fees	= \$ 400.00
Total Fees	= \$8,950.00
Less payments	= \$8,550.00
Balance Due NASD Dispute Resolution	= \$ 400.00
3. Halliburton & Associates is solely liable for:	
Member Fees	= \$8,550.00
Total Fees	= \$8,550.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$8,550.00
4. Halliburton & Associates and D. Halliburton are jointly and severally liable for:	
Forum Fees	= \$1,600.00
Total Fees	= \$1,600.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,600.00

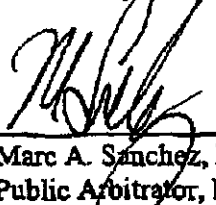
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Marc A. Sanchez, Esq.	-	Public Arbitrator, Presiding Chair
Andrew G. Young	-	Public Arbitrator
Howard A. Slater, MBA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.



Marc A. Sanchez, Esq.
Public Arbitrator, Presiding Chairperson

3-31-04

Signature Date

Andrew G. Young
Public Arbitrator

Signature Date

Howard A. Slater, MBA
Non-Public Arbitrator

Signature Date

March 31, 2004

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Marc A. Sanchez, Esq.	-	Public Arbitrator, Presiding Chair
Andrew G. Young	-	Public Arbitrator
Howard A. Slater, MBA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Marc A. Sanchez, Esq.
Public Arbitrator, Presiding Chairperson



Andrew G. Young
Public Arbitrator

Signature Date

3/30/04

Signature Date

Howard A. Slater, MBA
Non-Public Arbitrator

Signature Date

March 31, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Marc A. Sanchez, Esq.	-	Public Arbitrator, Presiding Chair
Andrew G. Young	-	Public Arbitrator
Howard A. Slater, MBA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Marc A. Sanchez, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Andrew G. Young
Public Arbitrator

Signature Date



Howard A. Slater, MBA
Non-Public Arbitrator

3/31/04

Signature Date

March 31, 2004
Date of Service (For NASD Dispute Resolution use only)