
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

NBC Capital Markets Group, Inc.

Case Number: 03-03389

Names of the Respondents

John V. Ballard
Stanford Group Company

Hearing Site: Memphis, TN

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

REPRESENTATION OF PARTIES

For NBC Capital Markets Group, Inc. ("NBC"), hereinafter referred to as "Claimant": Robert Wayne McPherson, Executive Vice-President and General Counsel, NBC, Memphis, TN.

For Respondent John V. Ballard ("Ballard"): Frank L. Watson, III, Esq., Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C., Memphis, TN.

For Respondent Stanford Group Company ("Stanford"): Robert Kramer, Senior Counsel, Stanford, Houston, TX.

CASE INFORMATION

Statement of Claim filed on or about: May 7, 2003.

Claimant signed the Uniform Submission Agreement: May 2, 2003.

Respondents Ballard and Stanford, hereinafter collectively referred to as "Respondents", did not file Statements of Answer or executed Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract concerning a promissory note; breach of contract concerning unfair competition; procurement of breach of contract; draw deficit; fraud; and, misrepresentation. The causes of action relate to Respondent Ballard's resignation from Claimant, his subsequent employment at Stanford, and his alleged solicitation and/or acceptance of investment business from Claimant's customers in violation of his written agreement with Claimant.

RELIEF REQUESTED

Claimant requested a temporary injunction, compensatory damages of \$180,000.00 plus accrued interest at the rate of 1.81% per annum commencing on January 8, 2003 through the date of the award, an accounting of all fees earned by Respondents from customers in violation of Respondent Ballard's written agreement, return of all fees earned by Respondent Ballard in

violation of Respondent Ballard's written agreement, damages of treble the amount of fees received by Respondent Stanford in connection with Ballard's violation of his written agreement, the draw deficit of \$3,864.91, punitive damages, costs, attorneys' fees, and such other and further relief that the undersigned arbitrators (the "Panel") deemed proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about July 7, 2003, the parties requested that the Panel approve and execute a proposed stipulated award (the "parties' Stipulation"). The parties requested that the parties' Stipulation be held by NASD Dispute Resolution and not served pending Respondent Ballard's payment of the amounts awarded in the parties' Stipulation. The parties agreed that if Respondent Ballard made all the payments listed in the parties' Stipulation, Claimant would request that the Stipulation not be served and would dismiss its Statement of Claim. However, if Respondent Ballard failed to make all the required payments, Claimant would ask NASD to prepare and serve a Stipulated Award which comports with the parties' Stipulation. On or about July 10, 2003, the Panel granted the parties' request and executed the parties' Stipulation.

On or about July 27, 2004, Claimant advised that Respondent Ballard failed to pay the amounts awarded in the parties' Stipulation and requested that the Panel enter a Stipulated Award which comported with the parties' Stipulation. On or about August 16, 2004, the Panel granted Claimant's request.

Respondents did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and are bound by the determination of the Panel on all issues submitted.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

After considering the pleadings and the parties' Stipulation, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent Ballard is liable and shall pay to Claimant \$188,496.00 plus interest at the rate of 1.81% per annum beginning on the date of the Stipulated Award.

All other claims that were asserted or could have been asserted by Claimant in both the State Court lawsuit and the Arbitration are hereby dismissed in their entirety with prejudice, with all costs and fees to be assessed to Claimant.

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
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondents NBC and Stanford are member firms and parties.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were granted during these proceedings for which fees were assessed.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No hearing on the merits was postponed or settled within three business days before the start of a scheduled hearing session.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

Claimant NBC is assessed:

Injunctive relief surcharge	= \$2,500.00
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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 the Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: June 13, 2003	1 session
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Total Forum Fees	= \$1,125.00

The Panel has assessed the total forum fees of \$1,125.00 to Respondent Ballard.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies

of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,200.00
Injunctive Relief Fees	= \$ 2,500.00
Total Fees	= \$ 8,700.00
<u>Less payments</u>	= \$ 8,700.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Stanford is solely liable for:

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

Respondent Ballard is solely liable for:

<u>Forum Fees</u>	= \$ 1,125.00
Total Fees	= \$ 1,125.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,125.00

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

ARBITRATION PANEL

Donald J. Aho	-	Public Arbitrator, Presiding Chairperson
J. Maxwell Williams, Esq.	-	Public Arbitrator
Richard L. Oates	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Donald J. Aho
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
J. Maxwell Williams, Esq.
Public Arbitrator

Signature Date

/s/

Richard L. Oates
Non-Public Arbitrator

Signature Date

October 26, 2004

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

OCT. 18. 2004 10:36AM NASD BOCA RATON

NO. 243 P. 5

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of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

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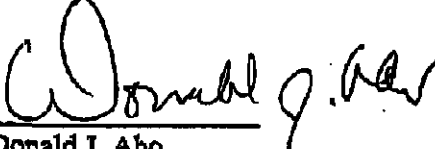
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 Donald J. Aho
 Public Arbitrator, Presiding Chairperson

10/18/04
 Signature Date

J. Maxwell Williams, Esq.
 Public Arbitrator

Signature Date

OCT. 18. 2004 10:39AM NASD BOCA RATON

NO. 243 P. 5

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Arbitration No. 03-03389
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Concurring Arbitrators' Signatures

 Donald J. Aho
 Public Arbitrator, Presiding Chairperson

 Signature Date

J. Maxwell Williams
 J. Maxwell Williams, Esq.
 Public Arbitrator

10/18/04
 Signature Date

10/25/04
Signature Date