

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 03-03803

Philip C. Kobetz, Appearing in his capacity
As Trustee for the Elizabeth Camille Shepherd
Trust and The John Edward Shepherd Trust
and Dr. Clifton W. Shepherd Individually,
and as owner of the Clifton W. Shepherd
IRA Plan

Names of the Respondents

Hearing Site: New Orleans, Louisiana

Raymond James Financial Services, Inc.
d/b/a Raymond James Advisory Services and
Fred Columbus Dent, III

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

REPRESENTATION OF PARTIES

For Philip C. Kobetz ("Kobetz"), appearing in his capacity as trustee for the Elizabeth Camille Shepherd Trust ("E. Shepherd") and The John Edward Shepherd Trust ("J. Shepherd") and Dr. Clifton W. Shepherd ("Dr. Shepherd") Individually, and as owner of the Clifton W. Shepherd IRA Plan ("Shepherd IRA"), hereinafter referred to as "Claimants": James R. Swanson, Esq., Loretta G. Mince, Esq., and Joseph C. Peiffer, Esq., Correro Fishman Haygood Phelps Walmsley & Casteix, L.L.P., New Orleans, Louisiana.

For Raymond James Financial Services, Inc. d/b/a Raymond James Advisory Services ("Raymond James") and Fred Columbus Dent, III ("Dent"), hereinafter referred to as "Respondents": Stephen H. Kupperman, Esq. and Meredith Cunningham, Esq., Barrasso Usdin Kupperman Freeman & Sarver, L.L.C., New Orleans, Louisiana.

CASE INFORMATION

Statement of Claim filed on or about: May 27, 2003.

Claimant E. Shepherd signed the Uniform Submission Agreement: May 21, 2003.

Claimant J. Shepherd signed the Uniform Submission Agreement: May 21, 2003.

Claimant Dr. Shepherd signed the Uniform Submission Agreement: May 27, 2003.

Claimant Shepherd IRA signed the Uniform Submission Agreement: May 27, 2003.

Kobetz, individually, did not file an executed Uniform Submission Agreement.

Response, Answer and "Counterclaim" filed by Respondents on or about: August 8, 2003.

Respondent Raymond James signed the Uniform Submission Agreement: July 24, 2003.

Respondent Dent signed the Uniform Submission Agreement: August 9, 2003.
Answer of Philip C. Kobetz to the "Counterclaim" of Respondents filed: on or about November 26, 2003.

CASE SUMMARY

Claimants asserted claims of breach of fiduciary duty, breach of contract, violation of Louisiana Blue Sky Laws, and unjust enrichment. The claims revolved around the unsuitability of unnamed equities and mutual funds.

Unless specifically admitted in the Answer, Respondents denied the allegations made in the Statement of Claim and asserted a number of defenses, including: estoppel, waiver and ratification; good faith of Respondents; failure to mitigate; statute of limitations; comparative fault and contributory negligence; assumption of risk; and lack of causation. Respondents also asserted a "counterclaim" against Philip C. Kobetz, asserting claims of indemnity and/or contribution.

RELIEF REQUESTED

Claimants requested: Damages of at least \$2,650,000.00, return of an undisclosed amount of margin interest, return of fees charged to Claimants' accounts, attorneys' fees and costs for prosecuting the matter, pre-judgment and post-judgment interest, and all other sums they are entitled to at law or equity.

Respondents requested: That the Statement of Claim be denied in all respects; that all fees and costs be assessed against Claimants; that any reference to the allegations in the Statement of Claim be ordered expunged from the registration records of Respondent Dent maintained by NASD's Central Registration Depository ("CRD"); and all other relief that the undersigned arbitrators (the "Panel") deemed just and proper. Respondents also requested indemnification and/or contribution on their "Counterclaim" against Kobetz, that all forum fees and costs be assessed and for such other relief as the Panel deems just and proper.

Kobetz requested: That the "counterclaim" be dismissed with prejudice, that attorneys' fees and costs associated with defending the claim be assessed against Respondents and that the Panel award any other relief that it deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Kobetz, individually, did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but having answered the "Counterclaim" and submitted to the jurisdiction of the Panel is bound by the determination of the Panel on all issues submitted.

On March 11, 2004, Claimants filed a Motion to Disqualify Dr. Shepherd's Former Counsel From Representing Defendants. Respondents filed a memorandum in opposition to the motion on April 26, 2004. The Panel denied the motion on May 3, 2004.

On April 20, 2006, the parties notified the Panel that the parties had agreed to settle the case. On May 15, 2006, the parties jointly moved the Panel for expungement of this matter from Respondent Dent's CRD records. On May 30, 2006 the Panel issued an order granting the parties' request.

Arbitrator Lewis Stirling withdrew from the Panel on April 26, 2006. On April 27, 2006, the parties notified NASD of their agreement to proceed with two arbitrators and without appointment of a replacement arbitrator.

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 joint motion for expungement, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- (1) The Panel recommends the expungement of all reference to the above captioned arbitration from Fred Columbus Dent, III's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Mr. Dent must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and,
- (2) The claims of Claimant Philip C. Kobetz, appearing in his capacity as Trustee for The Elizabeth Camille Shepherd Trust and The John Edward Shepherd Trust and Dr. Clifton W. Shepherd, Individually, and as Owner of The Clifton W. Shepherd IRA Plan that have asserted against Respondents Raymond James Financial Services, Inc. and Fred Columbus Dent, III in this action be and hereby are dismissed with prejudice; and,
- (3) The "Counterclaim" of Respondents Raymond James Financial Services, Inc. and Fred Columbus Dent, III against Respondent-in-"Counterclaim" Philip Kobetz in this action be and hereby is dismissed with prejudice; and,
- (4) Each party shall bear its own costs and expenses including attorneys' fees associated with this arbitration; and,
- (5) Any and all relief not specifically addressed herein, is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 500.00
"Counterclaim"/Third-party claim filing fee	= \$2,000.00

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, Respondent Raymond James is a member firm and party.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested 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:

April 24, -28, 2005, settlement notice received on April 20, 2005 = \$200.00

The Panel has assessed \$100.00 of the three-day cancellation fees to Claimants jointly and severally.

The Panel has assessed \$100.00 of the three-day cancellation fees to Respondent Raymond James.

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.

There were no injunctive relief fees assessed during these proceedings.

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 one arbitrator @ \$450.00 per session = \$ 450.00
Pre-hearing conference: March 21, 2006 1 session

Three (3) Pre-hearing sessions with the Panel @ \$1,200.00 per session = \$3,600.00
Pre-hearing conferences: February 11, 2004 1 session
March 7, 2005 1 session
January 9, 2006 1 session

Total Forum Fees = \$4,050.00

The Panel has assessed \$2,700.00 of the forum fees to Claimants, jointly and severally. The Panel has assessed \$1,350.00 of the forum fees to Respondent Raymond James.

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.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Three-day Cancellation Fee	= \$ 100.00
<u>Forum Fees</u>	<u>= \$2,700.00</u>
Total Fees	= \$3,300.00
<u>Less payments</u>	<u>= \$1,700.00</u>
Balance Due NASD Dispute Resolution	= \$1,600.00

Respondent Raymond James is solely liable for:

Member Fees	= \$8,550.00
Three-day Cancellation Fee	= \$ 100.00
<u>Forum Fees</u>	<u>= \$1,350.00</u>
Total Fees	= \$10,000.00
<u>Less payments</u>	<u>= \$9,750.00</u>
Balance Due NASD Dispute Resolution	= \$ 250.00

Respondents are jointly and severally liable for:

"Counterclaim"/Third-Party Claim Filing Fee	= \$2,000.00
Total Fees	= \$2,000.00
Less payments	= \$2,000.00
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

Leonard J. Sullivan, Esq.
Charles A. Bosworth, III

Public Arbitrator, Presiding Chairperson
Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/s/
Leonard J. Sullivan, Esq.
Public Arbitrator, Presiding Chairperson

June 5, 2006
Signature Date

_____/s/
Charles A. Bosworth, III
Non-Public Arbitrator

June 6, 2006
Signature Date

June 6, 2006
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
Arbitration No. 03-03803
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Respondents are jointly and severally liable for:

"Counterclaim"/Third-Party Claim Filing Fee	= \$2,000.00
Total Fees	= \$2,000.00
Less payments	= \$2,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00


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Leonard J. Sullivan, Esq.
Charles A. Bosworth, III

Public Arbitrator, Presiding Chairperson
Non-Public Arbitrator

Concurring Arbitrators' Signatures


Leonard J. Sullivan, Esq.
Public Arbitrator, Presiding Chairperson

6/5/06
Signature Date

Charles A. Bosworth, III
Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution
Arbitration No. 03-03803
Stipulated Award Page 6 of 6

Respondents are jointly and severally liable for:

"Counterclaim"/Third-Party Claim Filing Fee	= \$2,000.00
Total Fees	= \$2,000.00
Less payments	= \$2,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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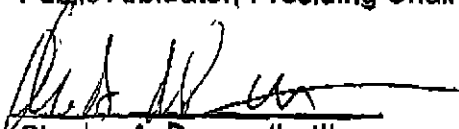
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Non-Public Arbitrator

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Signature Date


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