

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Kelly Eng

and

Name of Respondents

Little and Company
Glenn A. Little
Tonya S. Johnson

03-04267
Dallas, Texas

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

REPRESENTATION OF PARTIES

Kelly Eng ("**Claimant**") was represented by Jeffrey S. Lowenstein, Esq., Bell Nunnally & Martin LLP, Dallas, Texas.

Little and Company ("**Respondent Little and Company**") and Glenn A. Little ("**Respondent Little**") were represented by Glenn A. Little, Little and Company, Midland, Texas.

Tonya S. Johnson ("**Respondent Johnson**") appeared *pro se*.

CASE INFORMATION

The Statement of Claim was filed on or June 12, 2003. Response to Respondent Johnson's Motion to Be Released from Arbitration was filed on or about November 10, 2003. Motion For Leave to File Amended Statement of Claim was filed on or about June 21, 2004. Amended Statement of Claim was filed on or about June 21, 2004. Response to Respondents' Motion to Deny Motion to Leave to File Amended Statement of Claim and Motion to Dismiss the Claim was filed on or about July 21, 2004. Submission Agreement of Claimant Kelly Eng was signed on or about June 10, 2003.

Statement of Answer was filed by Respondent Little and Company on or about August 6, 2003. Respondents' Response to Respondent Johnson's Motion to Dismiss was filed on or about November 4, 2003. Motion to Dismiss was filed on or about July 9, 2004. Submission Agreement of Respondent Little and Company was signed on or about August 4, 2003. Submission Agreement of Respondent Glenn A. Little was signed on or about August 20, 2003.

Statement of Answer was filed by Respondent Tonya S. Johnson on or about August 6, 2004. Motion to Be Released from Arbitration was filed on or about October 27, 2003. Submission Agreement of Respondent Tonya S. Johnson was signed on or about August 1, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: Common law fraud, negligent misrepresentation, breach of fiduciary duty, breach of contract, violations of § 10(b) of the Securities Exchange Act and Rule 10b-5, unsuitability and violation of Sec Rule 15c, violations of § 581-33 of the Texas Securities Act, violations of the Deceptive Trade Practices Act, negligent supervision and breach of duty of fair dealing. Claimant alleged in the Amended Statement of Claim:

Following Eng's purchases of LMGR, the price of LMGR was very volatile—but appeared to be consistently declining from Eng's purchase price. In order to avoid further losses from LMGR, in or about November 2000, Eng placed a limit order on his shares of LMGR, which required Respondents to sell some of Eng's LMGR shares if the price of LMGR reached \$4.00 per share. LMGR was trading in the \$3.00 range at the time.

Respondent Johnson contacted Eng in December 2000 to notify him that LMGR was reaching \$4.00 per share and that the limit order would execute if it reached that price. Eng reiterated his desire for the limit order to execute if LMGR reached \$4.00 per share. Subsequently, without Eng's consent, Respondents unilaterally cancelled the limit order in December 2000. When Eng was informed of the cancellation he questioned Respondents as to why this occurred. Respondents justified the cancellation by stating that it was in Eng's best interest because LMGR was a good long-term investment and there would be "better days ahead."

LMGR did reach \$4.00 per share on or about December 11, 2000, shortly after the limit order was cancelled. The limit order would have been executed had it not been cancelled by Respondents. LMGR never reached \$4.00 per share again and instead fell to only pennies per share a short time later.

Respondents denied the allegations set forth in the Statement of Claim. Respondent Little and Company and Respondent Little specifically stated that they have committed no action that would be deemed a violation of the rules and regulations of the NASD, the laws of either the State of Texas or the Securities and Exchange Commission. Respondent Johnson specifically rejected any and all claims or statements that the Respondent ignored the Claimant, due to business, but the Respondent did indeed shy away from the Claimant due to improper conduct.

RELIEF REQUESTED

Claimant requested in the Statement of Claim an award in the amount of \$48,996.00 in compensatory damages, plus punitive damages, interest, costs, and attorney's fees. Claimant requested in the Amended Statement of Claim an award in the amount of \$36,000.00 in compensatory damages, plus exemplary damages, interest, costs and attorney's fees.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

By letter dated July 29, 2004, the parties' were advised of the Arbitration Panel's ruling on Claimant's Motion to Amend and Respondents' Motion to Dismiss as follows:

The Motion to Amend the Statement of Claim is granted.
The Motion to Dismiss the Claim is denied.

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 the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, if any, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant Kelly Eng's Amended Statement of Claim has been dismissed in its entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Glenn A. Little's and Tonya S. Johnson's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Glenn A. Little and Tonya S. Johnson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.

4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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 = \$175.00

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. In this matter, the member firms is Little and Company.

Member surcharge	\$	875.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	1,000.00
Total Member Fees	\$	2,625.00

Adjournment Fees

Adjournments requested during these proceedings:

September 11-12, 2004, adjournment requested by Respondent Little (waived) = \$600.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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:

2	Pre-hearing session(s) with Panel	x	600.00	\$	1,200.00
	May 10, 2004	1	session		
	May 28, 2004	1	session		
4	Hearing sessions	x	600.00	\$	2,400.00
	December 11, 2004	2	sessions		
	December 12, 2004	2	sessions		
	Total Forum Fees			\$	<u>3,600.00</u>

The Arbitration Panel has assessed \$3,000.00 of the forum fees to Kelly Eng.
The Arbitration Panel has assessed \$600.00 of the forum fees to Little and Company.

Fee Summary

Claimant, Kelly Eng, shall be and hereby is liable for:

Initial Filing Fee	= \$	175.00
<u>Forum Fees</u>	= \$	<u>3,000.00</u>
Total Fees	= \$	3,175.00
<u>Less payments</u>	= \$	<u>-975.00</u>
Balance Due NASD Dispute Resolution	= \$	2,200.00

Respondent, Little and Company, shall be and hereby is liable for:

Member Fees	= \$	2,625.00
<u>Forum Fees</u>	= \$	<u>600.00</u>
Total Fees	= \$	3,225.00
<u>Less payments</u>	= \$	<u>-3,625.00</u>
Balance to be refunded by NASD Dispute Resolution	= \$	-400.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Helmut O. Wolff - Public Arbitrator, Presiding Chair
Frances Johnson Wright, J.D. - Public Arbitrator
Darla K. Bartkowiak - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Helmut O. Wolff
Helmut O. Wolff
Public Arbitrator, Presiding Chair

12/21/04
Signature Date

/s/ Frances Johnson Wright
Frances Johnson Wright, J.D.
Public Arbitrator

12/20/04
Signature Date

/s/ Darla K. Bartkowiak
Darla K. Bartkowiak
Non-Public Arbitrator

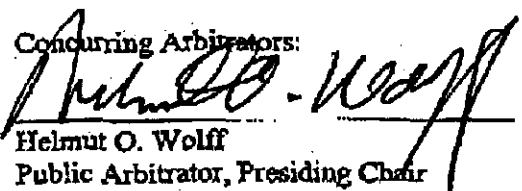
12/22/04
Signature Date

12/22/04
Date of Service (For NASD office use only)

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Helmut O. Wolff
Public Arbitrator, Presiding Chair

12/21/2004

Signature Date

Frances Johnson Wright, J.D.
Public Arbitrator

Signature Date

Darla K. Bartkowiak
Non-Public Arbitrator

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