

Stipulated Award  
NASD Dispute Resolution

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In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 03-05176

J.J.B. Hilliard, W. L. Lyons, Inc.

Names of the Respondents

Hearing Site: Charlotte, North Carolina

Henry Benthall Marshall, III  
Phillip Jason Luquire

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Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

Claimant J.J.B. Hilliard, W. L. Lyons, Inc. ("HL") was represented by Matthew J. Morelli, Ulmer & Berne LLP, Cleveland, Ohio.

Respondents Henry Benthall Marshall, III ("Marshall") and Phillip Jason Luquire ("Luquire") were represented by April J. Lindauer, Esq., Shaheen, Novoselsky, Staat, Filipowski & Ecclesston, P.C., Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on July 15, 2003.

A representative of HL signed the Uniform Submission Agreement on May 29, 2003.

Statement of Answer and Counterclaim filed by Luquire and Marshall on October 15, 2003.

Luquire signed the Uniform Submission Agreement on October 13, 2003.

Marshall signed the Uniform Submission Agreement on October 13, 2003.

Answer and Affirmative Defenses to Counterclaim filed by HL on December 5, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of loan agreements and amounts due under Earnings Deduction Agreement. The causes of action relate to Respondents' employment with Claimant.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted a Counterclaim for breach of contract, fraud, breach of covenants of good faith, violation of South Carolina Payment of Wages Act, slander and unjust enrichment. The causes of action relate to Respondents' employment with Claimant.

Unless specifically admitted in its Answer to Counterclaim, Claimant denied the allegations made in the Counterclaim.

RELIEF REQUESTED

Claimant requested the following damages:

Compensatory Damages	\$627,661.06
Interest	5% per annum
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents requested the following damages:

Compensatory Damages	\$ 3,804,000.00
Punitive Damages	\$10,000,000.00
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, the Parties fully and finally settled all claims by and between them with each Party denying all liability to the other. The Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Luquire shall pay HL compensatory damages in the amount of \$333,333.35.
2. The parties agree that no execution on this Award shall occur, nor shall it be confirmed and the Award shall be deemed satisfied, provided that Luquire makes one payment of \$15,000 on or before January 31, 2005 and makes six annual payments of \$12,604.16 beginning January 31, 2006 and ending on January 31, 2011 in available lawful money of the United States to J.J.B. Hilliard, W. L. Lyons, Inc. c/o Matthew J. Morelli, Esq., Ulmer & Berne LLP, 1300 East Ninth Street, Suite 900, Cleveland, Ohio 44114, or at such other place or entity as HL may designate, without interest (except as provided below). In the event HL fails to receive payment of any amount under this paragraph 2 then due (an "Event of Default"), then the entire Award amount of \$333,333.35, less any payments

previously received by Luquire, shall at once be due and payable to HL, which amount shall bear interest at the rate of 10% per annum from the date on which the Event of Default occurred.

3. Luquire agrees that should an Event of Default occur HL may confirm the judgment in the amount set forth in paragraph 1 (minus any payments) in the State of Ohio or any other state. Luquire fully and completely waives any argument that such confirmation is untimely or otherwise improper due to the lapse of time.
4. HL hereby releases, settles, cancels, discharges and acknowledges to be fully satisfied any and all complaints, claims, demands, rights and causes of action of every kind, nature and description whatsoever, whether currently known or unknown, suspected or unsuspected, which it may now or hereafter may have or assert against Luquire arising or resulting from or in any manner connected with the claims, events, agreements or injuries, losses and damages which were alleged or could have been alleged in the arbitration.
5. Luquire hereby releases, settles, cancels, discharges and acknowledges to be fully satisfied any and all complaints, claims, demands, rights and causes of action of every kind, nature and description whatsoever, whether currently known or unknown, suspected or unsuspected, which it may now or hereafter may have or assert against HL arising or resulting from or in any manner connected with the claims, events, agreements or injuries, losses and damages which were alleged or could have been alleged in the arbitration.
6. Marshall shall pay HL compensatory damages in the amount of \$270,833.33.
7. The parties agree that no execution on this Award shall occur, nor shall it be confirmed and the Award shall be deemed satisfied, provided that Marshall makes one payment of \$15,000 on or before January 31, 2005 and makes six annual payments of \$12,604.16 beginning January 31, 2006 and ending on January 31, 2011 in available lawful money of the United States to J.J.B. Hilliard, W. L. Lyons, Inc. c/o Matthew J. Morelli, Esq., Ulmer & Berne LLP, 1300 East Ninth Street, Suite 900, Cleveland, Ohio 44114, or at such other place or entity as HL may designate, without interest (except as provided below). In the event HL fails to receive payment of any amount under this paragraph 7 then due (an "Event of Default"), then the entire Award amount of \$270,833.33, less any payments previously received by Marshall, shall at once be due and payable to HL, which amount shall bear interest at the rate of 10% per annum from the date on which the Event of Default occurred.
8. Marshall agrees that should an Event of Default occur HL may confirm the judgment in the amount set forth in paragraph 7 (minus any payments) in the State of Ohio or any other state. Marshall fully and completely waives any argument that such confirmation is untimely or otherwise improper due to the lapse of time.
9. HL hereby releases, settles, cancels, discharges and acknowledges to be fully satisfied any and all complaints, claims, demands, rights and causes of action of every kind, nature and

description whatsoever, whether currently known or unknown, suspected or unsuspected, which it may now or hereafter may have or assert against Marshall arising or resulting from or in any manner connected with the claims, events, agreements or injuries, losses and damages which were alleged or could have been alleged in the arbitration.

10. Marshall hereby releases, settles, cancels, discharges and acknowledges to be fully satisfied any and all complaints, claims, demands, rights and causes of action of every kind, nature and description whatsoever, whether currently known or unknown, suspected or unsuspected, which it may now or hereafter may have or assert against HL arising or resulting from or in any manner connected with the claims, events, agreements or injuries, losses and damages which were alleged or could have been alleged in the arbitration.
11. Notwithstanding the foregoing, the release in paragraphs 4, 5, 9 and 10 do not apply: (i) to customer complaints; (ii) to compliance or regulatory matters; (iii) to claims initiated by any third parties; (iv) to the enforcement of the terms of this Award; and (v) to any other matter between HL and Respondents not released herein.
12. The NASD forum fees and assessments, if any, will be divided equally between the parties as set forth below and all of the costs and expenses, including attorneys' fees, shall be borne by the respective parties.
13. Any and all relief not specifically addressed herein 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	= \$ 1,250.00
Counterclaim filing fee	= \$ 600.00

##### 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(s) at the time of the events giving rise to the dispute. Accordingly, Respondent HL is a party.

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00
Total Member Fees	= \$ 8,500.00

##### 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:

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$ 1,200.00

Pre-hearing conference: March 26, 2004 1 session

Total Forum Fees = \$ 1,200.00

1. The Panel has assessed \$600.00 of the forum fees to Claimant.
2. The Panel has assessed \$600.00 of the forum fees jointly and severally to Respondents.

#### FEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 1,200.00
Member Fees	= \$ 8,500.00
Forum Fees	= \$ 600.00
Retained Hearing Session Deposit	= \$ 600.00
Total Fees	= \$10,950.00
Less payments	= \$10,950.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondents are jointly and severally assessed and shall pay the following fees:

Filing Fee	= \$ 600.00
Forum Fees	= \$ 600.00
Retained Hearing Session Deposit	= \$ 600.00
Total Fees	= \$ 1,800.00
Less payments	= \$ 1,800.00
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

Chase Boone Saudners	-	Public Arbitrator, Presiding Chairperson
Larry A. Feldman	-	Public Arbitrator, Panelist
Linda A. Allen	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Chase Boone Saunders  
Public Arbitrator, Presiding Chairperson

2/07/2005

Signature Date

Larry A. Feldman  
Public Arbitrator, Panelist

Signature Date

Linda A. Allen  
Non-Public Arbitrator, Panelist

Signature Date

February 9, 2005

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

Concurring Arbitrators' Signatures

Chase Boone Sandners  
Public Arbitrator, Presiding Chairperson

Signature Date

Larry A. Feldman  
Larry A. Feldman  
Public Arbitrator, Panelist

2-6-2005  
Signature Date

Linda A. Allen  
Non-Public Arbitrator, Panelist

Signature Date

February 9, 2005  
Date of Service (For NASD Dispute Resolution office use only)

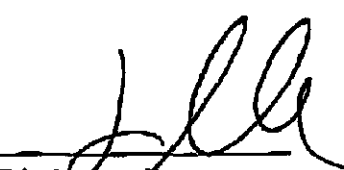
Concurring Arbitrators' Signature:

Chase Boone Sandners  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

Larry A. Feldman  
Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

  
Linda A. Allen  
Non-Public Arbitrator, Panelist

2-8-04  
Signature Date

Revised 9/2005  
Date of Service (For NASD Dispute Resolution office use only)