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**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
Sharon B. Ellis

Case Number: 03-05575

Names of the Respondents  
Morgan Keegan & Company, Inc.  
Tommy Ray Cockrell

Hearing Site: New Orleans, Louisiana

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

**REPRESENTATION OF PARTIES**

For Sharon B. Ellis, hereinafter referred to as "Claimant": Robert S. Moraff, Esq., Law Offices of Robert S. Moraff, P.C., Wayne, New Jersey.

For Morgan Keegan & Company, Inc. ("Morgan Keegan") and Tommy Ray Cockrell ("Cockrell"), hereinafter collectively referred to as "Respondents": Shea O'Brien-Hicks, Associate Attorney, Morgan Keegan & Company, Inc., Memphis, Tennessee.

**CASE INFORMATION**

Statement of Claim filed on or about: July 29, 2003.

Claimant signed the Uniform Submission Agreement: July 23, 2003.

Statement of Answer and Affirmative Defenses filed by Respondents on or about: December 3, 2003.

Respondents signed Uniform Submission Agreements: December 3, 2003.

**CASE SUMMARY**

Claimant asserted the following causes of action: omission of facts; unsuitability; misrepresentation; breach of fiduciary duty in violation of NASD Conduct Rule 2310 and NASD Rule 2110; breach of contract; respondeat superior; and, violations of Federal Securities Laws, including but not limited to Section 10 and Rule 10b-5 of the Securities Exchange Act of 1934. The causes of action relate to investments in mutual funds and common stocks in Claimant's account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

**RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$284,383.00, an unspecified amount in punitive damages, interest, attorneys' fees and costs.

Respondents requested that Claimant's claims be dismissed with prejudice, with an award of all fees, expenses and costs, and for such other and further relief as the Panel deemed just. In addition, Respondent Cockrell requested expungement of all references to this claim from his NASD Central Registration Depository ("CRD") records.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

### **AWARD**

After considering the pleadings, 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:

Respondent Morgan Keegan shall pay to Claimant compensatory damages in the amount of \$100,000.00 plus legal interest from the date of filing of the claim until the award is paid. Respondent Morgan Keegan is liable on the claims of unsuitability and failure to supervise.

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Cockrell's registration records maintained by CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Cockrell must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Any and all other claims for relief not specifically addressed herein, including Claimant's claims for punitive damages, and attorneys' fees are denied.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (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 | = \$ 300.00 |
|--------------------------|-------------|

#### **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 persons at the time of the events giving rise to the dispute. In this matter, the member firm Morgan Keegan is a party.

|                         |              |
|-------------------------|--------------|
| Member surcharge        | = \$1,700.00 |
| Pre-hearing process fee | = \$ 750.00  |
| Hearing process fee     | = \$2,750.00 |

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed in this matter 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 three-day cancellation fees were incurred in this matter.

**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.

No injunctive relief fees were incurred in this matter.

**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 arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

|  |              |
|--|--------------|
| Three (3) Pre-hearing sessions with the Panel @ \$1,125.00/session | = \$3,375.00 |
| Pre-hearing conferences:   |              |
| February 27, 2004  | 1 session    |
| October 7, 2004  | 1 session    |
| October 6, 2005  | 1 session    |
| Four (4) Hearing sessions @ \$1,125.00/session                     | = \$4,500.00 |
| Hearing Dates:   |              |
| March 28, 2006   | 2 sessions   |
| March 29, 2006   | 2 sessions   |
| Total Forum Fees   | = \$7,875.00 |

The Panel has assessed \$7,875.00 of the forum fees to Respondent Morgan Keegan.

**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 are 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 in this matter.

**Fee Summary**

Claimant is solely liable for:

|                    |             |
|--------------------|-------------|
| Initial Filing Fee | = \$ 300.00 |
| Total Fees         | = \$ 300.00 |

|  |               |
|--|---------------|
| <u>Less payments</u>                           | = \$ 300.00   |
| Balance Due NASD Dispute Resolution            | = \$ 0.00     |
| Respondent Morgan Keegan is solely liable for: |               |
| Member Fees                                    | = \$ 5,200.00 |
| <u>Forum Fees</u>                              | = \$ 7,875.00 |
| Total Fees                                     | = \$13,075.00 |
| <u>Less payments</u>                           | = \$ 5,200.00 |
| Balance Due NASD Dispute Resolution            | = \$ 7,875.00 |

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

**ARBITRATION PANEL**

|                               |   |  |
|-------------------------------|---|--|
| James F. Willeford, Sr., J.D. | - | Public Arbitrator, Presiding Chairperson |
| Simon F. Savoie, Jr., CPA     | - | Public Arbitrator                        |
| Arthur W. Pigott              | - | Non-Public Arbitrator                    |

**Concurring Arbitrators' Signatures**

/s/  
James F. Willeford, Sr., J.D.  
Public Arbitrator, Presiding Chairperson

March 31, 2006  
Signature Date

/s/  
Simon F. Savoie, Jr., CPA  
Public Arbitrator

March 31, 2006  
Signature Date

/s/  
Arthur W. Pigott  
Non-Public Arbitrator

April 3, 2006  
Signature Date

April 3, 2006  
Date of Service (For NASD Dispute Resolution office use only)

Mar. 31. 2006 11:35AM

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Respondent Morgan Keegan is solely liable for:

|                                     |               |
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### Concurring Arbitrators' Signatures

James Willeford

Digitally signed by James Willeford  
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VeriSign, Inc., OU = VeriSign Trust  
Network  
Date: 2006.03.31 11:28:01 -06'00'

James F. Willeford, Sr., J.D.  
Public Arbitrator, Presiding Chairperson

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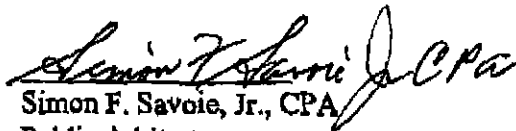
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Public Arbitrator, Presiding Chairperson

Signature Date

  
Simon F. Savoie, Jr., CPA  
Public Arbitrator

3/31/06  
Signature Date

Arthur W. Pigott  
Non-Public Arbitrator

Signature Date

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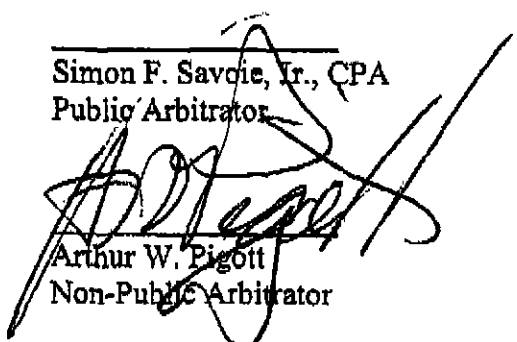
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Arthur W. Pigott  
Non-Public Arbitrator

4/3/06  
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Signature Date

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