
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Manuel Van Dugas, individually and
in his capacity as usufructuary of the
Martha Park Dugas Testamentary Trust

Case Number: 03-05613

Names of the Respondents

Argent Financial Group, Inc.,
Argent Advisors, Inc.,
Argent Investment Services, Inc.,
and Robert D. Grimes

Hearing Site: New Orleans, Louisiana

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

REPRESENTATION OF PARTIES

For Manuel Van Dugas, individually and in his capacity as usufructuary of the Martha Park Dugas Testamentary Trust, hereinafter referred to as "Claimants": Dennis M. LaBorde, Esq., and Kernan A. Hand, Jr., Esq., Baldwin Haspel, LLC, New Orleans, Louisiana.

For Argent Financial Group, Inc., Argent Advisors, Inc. and Argent Investment Services, Inc., hereinafter referred to collectively as "Argent": Donald Kneipp, Esq., Monroe, Louisiana.

Robert D. Grimes, hereinafter referred to as "Grimes," appeared pro se.

Argent and Grimes are hereinafter referred to collectively as "Respondents."

CASE INFORMATION

Statement of Claim filed on or about: August 12, 2003.

First Supplemental and Amended Statement of Claim filed on or about October 31, 2003.

Claimants signed the Uniform Submission Agreement on: July 24, 2003.

Respondent Grimes' Answer to First Supplemental and Amended Statement of Claim filed on or about: December 26, 2003.

Respondent Grimes signed the Uniform Submission Agreement on: December 23, 2003.

Respondents Argent's Answer to First Supplemental and Amended Statement of Claim filed on or about: January 6, 2004.

Respondents Argent signed the Uniform Submission Agreements on: December 26, 2003.

CASE SUMMARY

Claimants alleged the following causes of action: 1) suitability; 2) breach of fiduciary duty; 3) omissions; 4) negligence; 5) gross negligence; 6) failure to supervise; and 6) breach of contract. The causes of action relate to the purchase of unspecified alleged low-grade junk bonds in Claimants' accounts.

Unless specifically admitted in their Answers, Respondents denied the allegations made in the First Supplemental and Amended Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested: 1) compensatory damages in an unspecified amount; 2) interest; 3) costs and attorneys' fees; 4) punitive damages in an unspecified amount; and 5) all other relief which is just and equitable.

Respondents requested that the First Supplemental and Amended Statement of Claim be dismissed and that all costs be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondents Argent Financial Group, Inc. and Argent Advisors, Inc. are not members of NASD but, having voluntarily submitted to the jurisdiction of NASD and executed Uniform Submission Agreements, are bound by the determination of the arbitrators on all issues submitted.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

1. Judgment in favor of Claimants and against Respondents Argent, jointly and severally, on the claim of negligence in the amount \$90,547.00. Panel found negligence liability based upon where the security was sold and where no correlation existed between the market price and the sale price. The amount of the award was reduced by 30% because of Claimants' comparative negligence.
2. Interest is awarded on the above amount at 7% per annum, from March 10, 2005 through the date of payment of the Award.
3. The Panel finds no liability as to Respondent Grimes. The Panel found that Respondent Grimes relied on investigative information provided by his employer, Respondents Argent. The Panel found that Respondents Argent owed a duty to its employees to ensure that the information provided to their brokers was in fact a true reflection of the then current market.
4. Any and all claims for relief not specifically addressed herein, including Claimants' request for

attorneys' fees and punitive damages, are 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 = \$ 250.00

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. Respondent Argent Investment Services, Inc. is no longer a member firm of NASD but, having actively participated in this matter, is assessed the following member fees:

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,200.00</u>
Total Member Fees	= \$4,450.00

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:

There were no three-day cancellation fees assessed during these proceedings.

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

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Two (2) Pre-hearing sessions with the Panel @ \$1,000.00 per session = \$2,000.00

Pre-hearing conferences: March 30, 2004 1 session

August 13, 2004 1 session

Six (6) Hearing sessions with the Panel @ \$1,000.00 per session = \$6,000.00

Hearing Dates: January 25, 2005 2 sessions

January 26, 2005 2 sessions

March 10, 2005 2 sessions

Total Forum Fees = \$8,000.00

The Panel has assessed forum fees in the amount of \$5,000.00 to Claimants, jointly and severally.

The Panel has assessed forum fees in the amount of \$3,000.00 to Respondents Argent, jointly and severally.

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 = \$ 250.00

Forum Fees = \$5,000.00

Total Fees = \$5,250.00

Less payments = \$1,250.00

Balance Due NASD Dispute Resolution = \$4,000.00

Respondent Argent Investment Services, Inc. is solely liable for:

Member Fees = \$4,450.00

Total Fees = \$4,450.00

Less payments = \$4,450.00

Balance Due NASD Dispute Resolution = \$ 0.00

Respondents Argent are jointly and severally liable for:

Forum Fees = \$3,000.00

Total Fees = \$3,000.00

Less payments = \$ 0.00

Balance Due NASD Dispute Resolution = \$3,000.00

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

ARBITRATORS

Clayton J. Borne III, Esq.	-	<i>Public Arbitrator, Presiding Chairperson</i>
William F. Ray, Esq.	-	<i>Public Arbitrator</i>
Robert C. Upton, Jr.	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signature

 /s/
Clayton J. Borne III, Esq.
Public Arbitrator, Presiding Chairperson

March 21, 2005
Signature Date

 /s/
William F. Ray, Esq.
Public Arbitrator

March 24, 2005
Signature Date

 /s/
Robert C. Upton, Jr.
Non-Public Arbitrator

March 23, 2005
Signature Date

March 24, 2005
Date of Service (For NASD Dispute Resolution office use only)

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ARBITRATORS

Clayton J. Borne III, Esq.
William F. Ray, Esq.
Robert C. Upton, Jr.

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signature


Clayton J. Borne III, Esq.
Public Arbitrator, Presiding Chairperson

3 - 21 - 05

Signature Date

William F. Ray, Esq.
Public Arbitrator

Signature Date

Robert C. Upton, Jr.
Non-Public Arbitrator

Signature Date

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

03/24/2005 12:43

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MAR 21 2005 4:36PM

NASD REGULATIONS

NO. 957

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ARBITRATORS

Clayton J. Borne III, Esq.
William F. Ray, Esq.
Robert C. Upton, Jr.

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Consenting Arbitrators' Signatures

Clayton J. Borne III, Esq.
Public Arbitrator, Presiding Chairperson

William F. Ray

William F. Ray, Esq.
Public Arbitrator

Signature Date

3/24/2005

Signature Date

Robert C. Upton, Jr.
Non-Public Arbitrator

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Award Page 5**ARBITRATORS***Clayton J. Borne III, Esq.**William F. Ray, Esq.**Robert C. Upton, Jr.**Public Arbitrator, Presiding Chairperson**Public Arbitrator**Non-Public Arbitrator***Concurring Arbitrators' Signature**Clayton J. Borne III, Esq.

Public Arbitrator, Presiding Chairperson

Signature DateWilliam F. Ray, Esq.

Public Arbitrator

Signature Date
Robert C. Upton, Jr.

Non-Public Arbitrator

23 MAR 05Signature DateDate of Service (For NASD Dispute Resolution office use only)