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

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In the Matter of the Arbitration Between:

Name of the Claimant

Roy F. Cammarano

Case Number: 04-01204

Names of the Respondents

Morgan Keegan & Company, Inc.

Jeff Edds

Hearing Site: Boca Raton, Florida

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

**REPRESENTATION OF PARTIES**

For Roy F. Cammarano, hereinafter referred to as "Claimant": William G. Leonard, Esq., Leonard & Swenson, LLP, Atlanta, Georgia.

For Morgan Keegan & Company, Inc. ("Morgan Keegan") and Jeff Edds ("Edds"), hereinafter collectively referred to as "Respondents": Shea O'Brien Hicks, Vice President and John Starnes, Staff Attorney, Morgan Keegan & Company, Inc., Memphis, Tennessee.

**CASE INFORMATION**

Statement of Claim filed on or about: February 24, 2004.

Claimant signed but did not date the Uniform Submission Agreement.

Statement of Answer filed by Respondents on or about: April 16, 2004.

Respondent Edds signed the Uniform Submission Agreement: April 5, 2004.

Respondent Morgan Keegan signed the Uniform Submission Agreement: April 12, 2004.

**CASE SUMMARY**

Claimant asserted the following causes of action: violations of the antifraud provisions of federal and state securities laws; common law fraud; unauthorized trading; breach of fiduciary duty; violation of NASD and exchange rules; negligent supervision; unsuitability; misrepresentation and omissions of material facts; and, violations of the securities laws of Florida, Kentucky and New York. The causes of action relate to the purchase of Standard and Poor index options 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 \$76,358.00, plus pre-judgment interest, punitive damages in the amount of \$250,000.00, costs of this arbitration proceeding, including reasonable attorneys' fees, and such other and further relief as the Panel deems just and

proper.

Respondents requested that the claims alleged in the Statement of Claim be dismissed.

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

At the outset of the evidentiary hearing, an arbitrator withdrew from the Panel. Thereafter, the parties agreed to proceed with the two undersigned arbitrators.

During the evidentiary hearing, Respondents asserted an unopposed *ore tenus* motion for the expungement of this matter from the NASD Central Registration Depository ("CRD") records of Respondent Edds. Respondents further requested an award of attorneys' fees.

During the evidentiary hearing, the parties jointly requested that the amount of attorneys' fees awarded to any party be determined by the Panel.

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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's claims are denied in their entirety.

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

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages and the parties respective requests for 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 person at the time of the events giving rise to the dispute. In this matter, the member firm Morgan Keegan & Company, Inc. is a party.

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

**Adjournment Fees**

Adjournment granted during these proceedings for which fees were assessed:

August 15 – 16, 2005, adjournment requested by all parties = \$1,125.00

The Panel has assessed \$562.50 of the forum fees to Claimant.

The Panel has assessed \$562.50 of the forum fees to Respondent Morgan Keegan.

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

One (1) Pre-hearing session with the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: July 19, 2004 1 session	
Four (4) Hearing sessions @ \$1,125.00/ session	= \$ 4,500.00
Hearing Dates: February 13, 2006 2 sessions	
February 14, 2006 2 sessions	

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Total Forum Fees	= \$5,625.00
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The Panel has assessed \$2,812.50 of the forum fees to Claimant.

The Panel has assessed \$2,812.50 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
Adjournment Fee	= \$ 562.50
Forum Fees	= \$ 2,812.50
Total Fees	= \$ 3,675.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

Respondent Morgan Keegan is solely liable for:

Member Fees	= \$ 5,200.00
Adjournment Fee	= \$ 562.50
Forum Fees	= \$ 2,812.50
Total Fees	= \$ 8,575.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 3,375.00

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

**ARBITRATION PANEL**

Will Murphy, Esq.	-	Public Arbitrator, Presiding Chairperson
Sandra J. Bakalus	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/

02/16/06

\_\_\_\_\_  
Will Murphy, Esq.  
Public Arbitrator, Presiding Chairperson

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

/s/

02/16/06

\_\_\_\_\_  
Sandra J. Bakalus  
Non-Public Arbitrator

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

February 17, 2006

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

Feb. 16. 2006 10:42AM NASD

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Concurring Arbitrators' Signatures



Will Murphy, Esq.  
Public Arbitrator, Presiding Chairperson

16 February 2006  
Signature Date

Sandra J. Bakalus  
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution

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Concurring Arbitrators' Signatures

Will Murphy, Esq.

Public Arbitrator, Presiding Chairperson

Signature Date



Sandra I. Bakalus

Non-Public Arbitrator

2/16/06  
Signature Date

Notes/Service (For NASD Dispute Resolution office use only)