

**AWARD
NASD DISPUTE RESOLUTION**

In the Matter of the Arbitration Between:

Morgan Keegan & Company, Inc.
Claimant,
vs.
Scott Rackley,
Respondent.

Situs: Dallas, Texas.

Case Number: 04-03757

NATURE OF DISPUTE: Member v. Associated Person

REPRESENTATION OF PARTIES: Morgan Keegan & Company, Inc., hereinafter referred to as "Claimant": Shea O'Brien Hicks, Esq. of Morgan Keegan & Company, Inc., Memphis, Tennessee.

Respondent did not enter an appearance in this matter.

DATE FILED: May 25, 2004.

CASE SUMMARY: Claimant alleged that Respondent failed to pay the amount due on an employee forgivable loan represented by a promissory note executed at the time of his employment. The Note became due and owing upon the termination of Respondent's employment March 11, 2004.

Claim Data		Award Data	
Claim:	\$26,363.60	Award:	\$26,363.60
Punitive:	None	Punitive:	None
Attorney's Fees:	\$1,250.00	Attorney's Fees:	\$1,250.00
Filing Fees:	\$3,800.00	Filing Fees:	\$1,000.00
Other:	10% interest	Other:	\$10% interest

OTHER ISSUES: By letter dated December 8, 2004, Claimant opted to proceed against Respondent Scott A. Rackley pursuant to Rule 10314(e) of the *NASD Code of Arbitration Procedure* ("Code"). The Arbitrator determined that Respondent Rackley was properly served notice of the Statement of Claim and Notification of the Arbitrator by certified mail, and that Respondent Rackley is required to submit to arbitration pursuant to the Code and is bound by the determination of the Arbitrator on all issues submitted.

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Scott A. Rackley is liable and shall pay to Claimant Morgan Keegan & Co., Inc. the sum of \$26,363.60 plus interest in the amount of \$4,086.35, representing 10% per annum accruing from July 16, 2003 and ending January, 2005;
2. In addition, Respondent Scott A. Rackley is liable and shall pay to Claimant Morgan Keegan & Co., Inc. the sum of \$1,250.00 as attorneys' fees. In deciding

to award attorneys' fees, the Arbitrator considered the Promissory Note and Agreement executed by Respondent and determined that authority existed for an award of attorneys' fees to the Claimant;

3. Furthermore, Respondent Scott A. Rackley is liable and shall pay to Claimant Morgan Keegan & Co., Inc. the sum of \$1,000.00 as reimbursement of the non-refundable filing fee paid by Claimant; and,
4. All other relief requests are denied.

FORUM FEES: The \$1,000.00 filing fee previously deposited by Claimant shall be retained by NASD Dispute Resolution.

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conferences: September 30, 2004 1 session

Paper Decision Fee = \$ 300.00
Total Forum Fees = \$ 750.00

The arbitrator assessed \$750.00 of the forum fees against Respondent Scott A. Rackley.

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. Member fees are not chargeable to any other party. Accordingly, Morgan Keegan & Co., Inc. is a party and the following member fees are assessed:

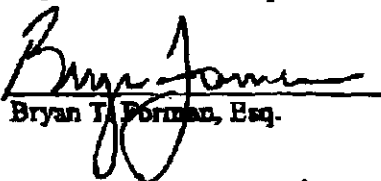
Member surcharge = \$ 600.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$1,000.00

ADJOURNMENT FEES: Adjournments granted during these proceedings for which fees were assessed: None.

ARBITRATION PANEL

Bryan T. Forman, Esq.

Sole Non-Public Arbitrator


Bryan T. Forman, Esq.


Signature/Date


Date of Service (For NASD-DR office use only)