
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Sterne, Agee & Leach, Inc.

Case Number: 04-06348

Name of the Respondent
Richard Williams

Hearing Site: Birmingham, Alabama

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

For Sterne, Agee & Leach, Inc. ("SAL"), hereinafter referred to as "Claimant": Patricia C. Diak, Esq., Haskell, Slaughter, Young & Rediker, LLC, Birmingham, Alabama.

For Richard Williams ("Williams"), hereinafter referred to as "Respondent": Don Jones, Esq., Don Jones, Jr., P.C., Montgomery, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: September 3, 2004.
Claimant signed the Uniform Submission Agreement: September 1, 2004.
Response to Statement of Claim filed by Respondent on or about: January 11, 2005.
Respondent signed but did not date the Uniform Submission Agreement.
Motion to Dismiss filed by Respondent on or about: January 11, 2005.
Opposition to Motion to Dismiss filed by Claimant on or about: January 21, 2005.

CASE SUMMARY

Claimant asserted the following cause of action: 1) breach of contract; 2) money had and received; 3) unjust enrichment; 4) attorneys' fees under the promissory note; and 5) attorneys' fees at law. The causes of action relate to Claimant's promissory note and forgivable loan made to its former employee, Respondent Williams.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$129,151.48; 2) interest; 3) attorneys' fees; 4) costs; and 5) such other relief as the undersigned arbitrators (the

"Panel") deemed just and proper.

Respondent did not delineate a relief request in his Response to Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

On or about February 3, 2005, Judge Tracy McCooley of the Circuit Court of Montgomery County, Alabama, entered an Order transferring Circuit Court Case No. CV-04-1784 to Jefferson County, Alabama. Additionally, Judge McCooley's Order directed NASD to stay this arbitration proceeding. On or about May 5, 2005, Judge G. William Noble of the Circuit Court of Jefferson County, Alabama, entered an Order in Circuit Court Case No. CV-05-970-GWN directing the parties to arbitrate their dispute in the NASD Dispute Resolution forum. On or about June 27, 2005, Judge G. William Noble entered an Order staying the NASD arbitration proceeding pending appeal of his prior Order to the Alabama Supreme Court. On or about December 9, 2005, the Alabama Supreme Court entered an Order affirming the trial court's Order directing the parties to arbitrate this dispute in the NASD Dispute Resolution forum.

In light of the Alabama Supreme Court's determination of December 9, 2005, the Panel deemed the Motion to Dismiss moot.

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

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:

- 1) All of Claimant's claims are denied.
- 2) Any and all other claims for relief not specifically addressed herein, including Claimant's request for attorneys' fee, 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	= \$1,000.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Claimant SAL is a party and a member firm.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

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:

One (1) Pre-hearing session with the Panel @ \$1,125.00/session = \$1,125.00
Pre-hearing conference: January 19, 2006 1 session

Two (2) Hearing sessions with Panel @ \$1,125.00/session = \$2,250.00
Hearing Dates: August 22, 2006 2 sessions

Total Forum Fees = \$3,375.00

The Panel has assessed to Claimant forum fees in the amount of \$3,375.00.

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

Claimant SAL is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00
Forum Fees	= \$3,375.00
Total Fees	= \$9,575.00
Less payments	= \$9,075.00
Balance Due NASD Dispute Resolution	= \$ 500.00

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

ARBITRATION PANEL

Arthur Thomas Stephenson	-	Non-Public Arbitrator, Presiding
Chairperson		
Don M. Bieger	-	Non-Public Arbitrator
Tom G. Gambill, PhD	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/s/
Arthur Thomas Stephenson
Non-Public Arbitrator, Presiding Chairperson

August 24, 2006
Signature Date

_____/s/
Don M. Bieger
Non-Public Arbitrator

August 24, 2006
Signature Date

_____/s/
Tom G. Gambill, PhD
Non-Public Arbitrator

August 24, 2006
Signature Date

NASD Dispute Resolution
Arbitration No. 04-06348
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August 25, 2006

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

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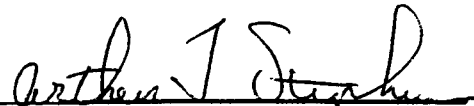
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Non-Public Arbitrator, Presiding Chairperson

8-24-06
Signature Date

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Non-Public Arbitrator

Signature Date

Tom G. Gambill, PhD
Non-Public Arbitrator

Signature Date

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