
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Claude T. McKee

Case Number: 04-06370

Names of the Respondents
Morgan Keegan & Company, Inc.

Hearing Site: Birmingham, AL

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

Claimant Claude T. McKee ("McKee") appeared pro se.

For Morgan Keegan & Company, Inc. ("MK&C"), hereinafter referred to as "Respondent":
Elizabeth R. Floyd, Esq., Adams and Reese, LLP, Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: September 7, 2004.

Claimant signed the Uniform Submission Agreement: August 20, 2004.

Statement of Answer filed by Respondent on or about: November 1, 2004.

Respondent signed the Uniform Submission Agreement: October 25, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability and misrepresentation. The causes of action relate to the purchase of a John Hancock variable annuity.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$605,419.08, plus punitive damages of \$82,7000.00, interest, costs and attorneys' fees.

Respondent requested that Claimant's Statement of Claim be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

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

AWARD

After considering the pleadings, and 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. Respondent is liable and shall pay to Claimant the sum of \$72,000.00 in compensatory damages, pre-judgment interest specifically excluded. Damages are awarded based upon the claims of unsuitability and misrepresentation.
2. Respondent is liable and shall pay to Claimant the sum of \$375.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution.
3. Any and all claims for relief not specifically addressed herein, including Claimant's requests for punitive damages and attorney's 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	= \$ 375.00
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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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Respondent MK&C is a member firm and a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$4,000.00</u>
Total Member Fees	= \$7,000.00

Adjournment Fees

Adjournment fees incurred during these proceedings:

No adjournment fees were incurred during these proceedings.

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 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.

No injunctive relief fees were incurred 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 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 @ \$1,200.00	= \$1,200.00
Pre-hearing conference: January 19, 2005	1 session
Two (2) Hearing sessions @ \$1,200.00	= \$2,400.00
<u>Hearing Date:</u> February 16, 2005	<u>2 sessions</u>
Total Forum Fees	= \$3,600.00

The Panel has assessed the total forum fees of \$3,600.00 to Respondent.

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 during these proceedings.

Fee Summary

Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 375.00
Total Fees	= \$ 375.00
<u>Less payments</u>	= \$ 375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent MK&C is solely liable for:

Forum Fees	= \$ 3,600.00
<u>Member Fees</u>	<u>= \$ 7,000.00</u>
Total Fees	= \$10,600.00
<u>Less payments</u>	<u>= \$ 9,250.00</u>
Balance Due NASD Dispute Resolution	= \$ 1,350.00

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

ARBITRATION PANEL

Irving M. Shlesinger	-	Public Arbitrator, Presiding Chairperson
Gloria Liddell, Esq.	-	Public Arbitrator
Carrie E. Wisniewski	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Irving M. Shlesinger
Public Arbitrator, Presiding Chairperson

February 23, 2005
Signature Date

/s/
Gloria Liddell, Esq.
Public Arbitrator

February 27, 2005
Signature Date

/s/
Carrie E. Wisniewski
Non-Public Arbitrator

February 23, 2005
Signature Date

February 24, 2005

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

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

ARBITRATION PANEL

Irving M. Shlesinger	-	Public Arbitrator, Presiding Chairperson
Gloria Liddell, Esq.	-	Public Arbitrator
Carrie E. Wisniewski	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Irving M. Shlesinger
Public Arbitrator, Presiding Chairperson

2/23/05
Signature Date

Gloria Liddell, Esq.
Public Arbitrator

Signature Date

Carrie E. Wisniewski
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution

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ARBITRATION PANEL

Irving M. Shlesinger	-	Public Arbitrator, Presiding Chairperson
Gloria Liddell, Esq.	-	Public Arbitrator
Carrie E. Wisniewski	-	Non-Public Arbitrator

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FL ARBITRATIONConcurring Arbitrators' Signatures

Irving M. Shlesinger
Public Arbitrator, Presiding Chairperson

Signature Date



Gloria Liddell, Esq.
Public Arbitrator

02/27/05

Signature Date

Carrie E. Wisniewski
Non-Public Arbitrator

Signature Date

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ARBITRATION PANEL

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Gloria Liddell, Esq.	-	Public Arbitrator
Carrie E. Wisniewski	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Irving M. Shlesinger
Public Arbitrator, Presiding Chairperson

Signature Date

Gloria Liddell, Esq.
Public Arbitrator

Signature Date

Carrie E. Wisniewski
Carrie E. Wisniewski
Non-Public Arbitrator

2/23/05
Signature Date

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