

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

**Monte D. Haynes, Monte D. Haynes, IRA, Maureen L. Haynes House Sale Proceeds, and
Maureen L. Haynes Res Fund Trust, Claimants v. Raymond James Financial Services, Inc., Judith
A. McGee, and McGee Financial Strategies, Inc., Respondents**

Case Number: 04-06841

Hearing Site: Portland, Oregon

Nature of the Dispute: Customers v. Member, Non-Member and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

**Richard M. Layne, Esq.
Layne & Lewis LLP
Portland, Oregon**

For Respondents:

**Terrance A. Bostic, Esq.
Raymond James Financial Services, Inc.
St. Petersburg, Florida**

CASE INFORMATION

Statement of Claim filed: September 27, 2004

Amended Statement of Claim filed: October 4, 2004

Claimants' Joint Uniform Submission Agreement signed: October 4, 2004

Joint Statement of Answer filed by Respondents: December 15, 2004

**Respondent Raymond James Financial Services, Inc.'s Uniform Submission Agreement signed:
October 19, 2004**

Respondent Judith A. McGee's Uniform Submission Agreement signed: January 10, 2005

**Respondent McGee Financial Strategies Inc.'s Uniform Submission Agreement signed:
None submitted**

CASE SUMMARY

Claimants alleged negligence and breach of fiduciary duty involving the purchase of shares in Hamilton Bank stock and other securities.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested compensatory damages in the sum of \$576,744.71, or, in the alternative, compensation for lost profits, pre-judgment interest at a rate of 9% per annum, and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent McGee Financial Strategies, Inc. did not file with NASD Dispute Resolution a properly executed submission agreement; however, having answered the claim, appeared, and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

On October 4, 2004, Claimant filed an Amended Statement of Claim pursuant to the NASD Code of Arbitration Procedure Rule 10328(a).

On July 11, 2005, Respondents moved the Panel to dismiss all claims related to Hamilton Bancorp, Inc. from the Statement of Claim. On August 30, 2005, a telephonic pre-hearing conference was held, attended by the Parties and the Panel. After due deliberation, the Panel dismissed the claims against Respondent Raymond James Financial Services, Inc. relating to Hamilton Bancorp, Inc. The Panel further ruled that Claimants are barred from seeking relief against Respondents Judith A. McGee and McGee Financial Strategies, Inc. any alleged losses flowing from the class action lawsuit filed against Hamilton Bancorp, Inc. and that settled on or about March 21, 2005, in the United States District Court, Southern District of Florida. Claimants are not barred from seeking relief from Respondents Judith A. McGee, and McGee Financial Strategies, Inc. as it relates to any claim for losses allegedly flowing from Claimants' purchases of Hamilton Bancorp, Inc. that were not the subject of the Class Action.

At the hearing, Respondents moved the Panel for a Directed Verdict. Claimants opposed the motion. The Panel allowed for oral argument on Respondents' Motion for a Directed Verdict. After due deliberation in an executive session the Panel denied the motion.

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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents Judith A. McGee and McGee Financial Strategies, Inc. are jointly and severally liable and shall pay to Claimants the sum of \$54,000.00 in compensatory damages.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted is denied.

FEEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 375.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Raymond James Financial Services, Inc. is a party and the following fees are assessed:

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

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

(1) Pre-hearing conference session with a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: November 1, 2005	1 session
(2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$2,400.00
Pre-hearing conferences: February 1, 2005	1 session
August 30, 2005	1 session
(8) Hearing sessions @ \$1,200.00/session	= \$9,600.00
Hearings: November 15, 2005	2 sessions
November 16, 2005	2 sessions
November 17, 2005	2 sessions
November 18, 2005	2 sessions
Total Forum Fees	= \$12,450.00

1. The Panel assessed \$6,225.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$6,225.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	<u>= \$ 6,225.00</u>
Total Fees	= \$ 6,600.00
<u>Less payments</u>	<u>= \$(1,575.00)</u>
Balance Due NASD Dispute Resolution	= \$ 5,025.00
2. Respondent Raymond James Financial Services, Inc. is charged with the following fees and costs:

Member Fees	= \$ 7,000.00
<u>Less payments</u>	<u>= \$(7,000.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	= \$6,225.00
Balance Due NASD Dispute Resolution	= \$6,225.00

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

ARBITRATION PANEL

Nancy E. Hochman	-	Public Arbitrator, Presiding Chair
Sandra Smith Gangle	-	Public Arbitrator
Martha Jeanne Wilcoxson	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Nancy E. Hochman
Chair, Public Arbitrator

11/30/05

Signature Date

Sandra Smith Gangle
Public Arbitrator

Signature Date

Martha Jeanne Wilcoxson
Non-Public Arbitrator

Signature Date

11/30/05

Date of Service


ARBITRATION PANEL

Nancy E. Hochman	-	Public Arbitrator, Presiding Chair
Sandra Smith Gangle	-	Public Arbitrator
Martha Jeanne Wilcoxson	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Nancy E. Hochman
Chair, Public Arbitrator

Signature Date



Sandra Smith Gangle
Public Arbitrator

Nov 30, 2005
Signature Date

Martha Jeanne Wilcoxson
Non-Public Arbitrator

Signature Date

11/30/05
Date of Service

ARBITRATION PANEL

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Sandra Smith Gangle	-	Public Arbitrator
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Concurring Arbitrators' Signatures

Nancy E. Hochman
Chair, Public Arbitrator

Signature Date

Sandra Smith Gangle
Public Arbitrator

Signature Date



Martha Jeanne Wilcoxson
Non-Public Arbitrator

11-29-2005

Signature Date

11/30/05

Date of Service