

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant

Robert Hale

Case Number: 04-07669

Name of the Respondent

J.J.B Hilliard, W.L. Lyons, Inc.

Hearing Site: Nashville, Tennessee

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

Claimant, Robert Hale, hereinafter referred to as "Claimant", was represented by C. David Mee, Esq., Woska & Hayes, LLP, Kingwood, Texas.

Respondent, J.J.B. Hilliard, W.L. Lyons, Inc., hereinafter referred to as "Respondent", was represented by Brian A. Carlis, Esq., Stark & Stark, P.C., Princeton, New Jersey.

CASE INFORMATION

Statement of Claim filed on November 3, 2004.

Claimant signed the Uniform Submission Agreement on November 10, 2004.

Statement of Answer filed by Respondent on March 8, 2005.

A representative of Respondent executed the Uniform Submission Agreement on January 13, 2005.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action, among others: breach of fiduciary duty, violation of know your customer rule, unsuitability, failure to supervise, violations of securities laws, failure to hedge, breach of contract, and failure to diversify. The causes of action relate to the purchase and sale of WorldCom stock, Track Data Corp. common stock, Fonix Corp. common stock, Equities common stock and other specified High tech and Internet common stocks.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted, authorization, estoppel, failure to mitigate damages, laches, assumption of the risk, ratification, and statute of limitations.

RELIEF REQUESTED

Claimant in the Statement of Claim requested:

Compensatory Damages

\$ 100,000.00

Punitive Damages

amount unspecified

Attorneys' Fees
Interest
Other Costs

amount unspecified
amount unspecified
amount unspecified

Respondent requested that the Statement of Claim be dismissed with prejudice and that it be awarded attorneys' fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

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 Arbitration Panel (the "Panel") has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are denied in their entirety;
2. Respondent is liable to and shall pay to Claimant the sum of \$225.00 in reimbursement for the initial-claim filing fee;
3. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

FEES

Pursuant to 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	= \$ 225.00
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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 is a party.

Member surcharge	= \$ 1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,700.00

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) Decisions on discovery-related motions on the papers with (1) arbitrator @ \$200.00	= \$	200.00
Claimant submitted one (1) discovery-related motion		
One (1) Pre-hearing session with Panel @ \$ 750.00	= \$	750.00
Pre-hearing conference: May 23, 2005	1 session	
Three (3) Hearing sessions @ \$ 750.00	= \$	2,250.00
Hearing Dates: November 30, 2005	2 sessions	
December 1, 2005	1 session	
Total Forum Fees	= \$	3,200.00

The Panel has assessed \$ 3,200.00 of the forum fees to Respondent.

Fee Summary

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$	225.00
Total Fees	= \$	225.00
Less payments	= \$	1,425.00
Refund owed Claimant	= \$	1,200.00

2. Respondent is assessed and shall pay:

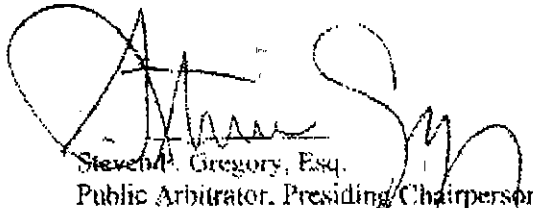
Member Fees	= \$	3,550.00
Forum Fees	= \$	3,200.00
Total Fees	= \$	6,750.00
Less payments	= \$	3,550.00
Balance Due NASD Dispute Resolution	= \$	3,200.00

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

ARBITRATION PANEL

Steven P. Gregory, Esq.	-	Public Arbitrator, Presiding Chairperson
Fred M. Acuff, Jr., Esq.	-	Public Arbitrator, Panelist
Brendan E. Finucane, Sr.	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


Steven M. Gregory, Esq.
Public Arbitrator, Presiding Chairperson

12/6/05
Signature Date

Fred M. Acuff, Jr., Esq.
Public Arbitrator, Panelist

Signature Date

Brendan L. Finnane, Sr.
Non-Public Arbitrator, Panelist

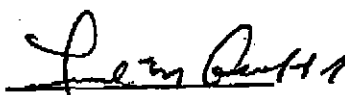
Signature Date

December 6, 2005
Date of Service (For NASD Dispute Resolution office use only)

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Public Arbitrator, Presiding Chairperson

Signature Date



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