
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Warren W. Lovell, III, individually and on behalf of
T. Lovell Alpha Limited Partnership, T. Lovell Alpha
Limited Partnership Investments Trust and the Warren W.
Lovell IRA Account

Case Number: 05-00489

Name of the Respondent

Harry Strunk

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Associated Person.

REPRESENTATION OF PARTIES

Warren W. Lovell, III, individually and on behalf of T. Lovell Alpha Limited Partnership, T. Lovell Alpha Limited Partnership Investments Trust and the Warren W. Lovell IRA Account, hereinafter referred to as "Claimants", appeared pro se.

For Harry Strunk, hereinafter referred to as "Respondent": Cory Zadanosky, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: January 28, 2005.

Claimants signed the Uniform Submission Agreement: January 28, 2005.

Respondent did not file a Statement of Answer or a signed Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: 1) common law fraud; 2) breach of fiduciary duty; and, 3) negligence and gross negligence. The causes of action relate to Claimants' investments in the Blue Water hedge fund.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$10,500,000.00, pre-judgment interest at the statutory rate, punitive damages, accountants' fees, experts' fees and other disbursements as permitted by applicable law, costs and such other and additional relief as this Panel deemed appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having filed a joint request for expungement, is bound by the determination of the Panel on all issues submitted.

On or about September 15, 2005, the parties notified NASD Dispute Resolution that they had settled this matter and were submitting a proposed Stipulated Award with a request for expungement of the NASD Central Registration Depository (the "CRD") record of Respondent Strunk.

On or about September 29, 2005, the parties submitted to NASD Dispute Resolution a Joint Stipulation to Dismiss and Expunge the NASD CRD record of Respondent Strunk. The parties stipulated and agreed that this matter be dismissed, with prejudice, and that Claimants and Respondent, as to each other, shall bear their respective costs.

The parties further stipulated and agreed that said dismissal shall be a bar to the bringing of any action based on or including the claims, third-party claims or counterclaims for which these actions have been or could have been brought against Respondent by the Claimants or against the Claimants by the Respondent. In addition, the parties stipulated and agreed that this matter be expunged from the NASD CRD record of Respondent.

The parties stated that this matter involved disputed claims and was dismissed, with prejudice, by the Claimants prior to the submission of any evidence by any party and prior to the final arbitration hearing. No evidence was ever submitted to this Panel by any party of any wrongdoing by Respondent. Furthermore, Claimants acknowledge and represent that Respondent was not involved in the alleged investment related sales practice violations alleged in the arbitration proceeding.

On November 22, 2005, a telephonic hearing was held relating to the parties' request for a Stipulated Award granting expungement of the NASD CRD record of Respondent. Pursuant to this hearing, the Arbitrator issued an Order granting the request for expungement of Respondent's NASD CRD record.

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

AWARD

After considering the pleadings and the proposed Stipulated Award with request for expungement, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

Claimants' withdrawal of their claims against Respondent, with prejudice, is accepted and Respondent is dismissed from this matter.

In accordance with NASD Rule 2130, the Arbitrator finds that Respondent was not involved in the alleged investment related sales practice and recommends the expungement of all reference to the above captioned

arbitration from Respondent's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, is denied.

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	= \$600.00
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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, Morgan Keegan & Co. Inc. employed the associated person at the time of the events giving rise to the dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge	= \$3,750.00
<u>Pre-hearing process fee</u>	<u>= \$ 750.00</u>
Total Member Fees	= \$4,500.00

Adjournment Fees

No requests for adjournments were filed in this matter.

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 cancellation fees were assessed in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred during this proceeding.

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 a single arbitrator @ \$450.00	= \$ 450.00
<u>Pre-hearing conference: November 22, 2005 1 session</u>	
<u>Total Forum Fees</u>	<u>= \$ 450.00</u>

The Arbitrator has assessed the total forum fees of \$450.00 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 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 this proceeding.

Fee Summary

Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	<u>= \$ 600.00</u>
<u>Total Fees</u>	<u>= \$ 600.00</u>
<u>Less payments</u>	<u>= \$ 600.00</u>
<u>Balance Due NASD Dispute Resolution</u>	<u>= \$ 0.00</u>

Morgan Keegan & Co. Inc. is solely liable for:

<u>Member Fees</u>	<u>= \$ 4,500.00</u>
<u>Total Fees</u>	<u>= \$ 4,500.00</u>
<u>Less payments</u>	<u>= \$ 3,750.00</u>
<u>Balance Due NASD Dispute Resolution</u>	<u>= \$ 750.00</u>

Respondent is solely liable for:

<u>Forum Fees</u>	<u>= \$ 450.00</u>
<u>Total Fees</u>	<u>= \$ 450.00</u>
<u>Less payments</u>	<u>= \$ 0.00</u>
<u>Balance Due NASD Dispute Resolution</u>	<u>= \$ 450.00</u>

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

ARBITRATOR

Carmen A. Gross

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

/s/
Carmen A. Gross
Public Arbitrator, Presiding Chairperson

11/23/05
Signature Date

11/23/05
Date of Service (For NASD Dispute Resolution office use only)

5-18-1995 1:09PM FROM

Nov. 23, 2005 3:14PM

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Arbitrator's Signature



Carmen A. Gross

Public Arbitrator, Presiding Chairperson

Nov. 23, 2005

Signature Date

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