

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Banc of America Investment Services, Inc., Claimant v. Roy R. Jones, Respondent

Roy R. Jones, Counter-Claimant v. Banc of America Investment Services, Inc., Counter-Respondent

Case Number: 05-00500

Hearing Site: Los Angeles, California

Nature of the Dispute: Member v. Associated Person
Associated Person v. Member

REPRESENTATION OF PARTIES

For Banc of America Investment Services, Inc.
("BAI"):

Diane C. Fischer, Esq.
Kane & Fischer, Ltd.
Chicago, Illinois

For Roy R. Jones ("Jones"):

Mark W. Pugsley, Esq.
Ray Quinney & Nebeker
Salt Lake City, Utah

CASE INFORMATION

Statement of Claim by BAI filed: January 28, 2005

Jones' Statement of Answer and Counterclaim filed: April 12, 2005

BAI's Reply to Counterclaim filed: April 25, 2005

BAI's Uniform Submission Agreement signed: January 20, 2005

Jones' Uniform Submission Agreement signed: March 21, 2005

CASE SUMMARY

In its Statement of Claim, BAI alleged breach of promissory note and failure to repay commission deficit.

In his Statement of Answer, Jones denied the allegations of wrongdoing set forth in the Statement of Claim, set forth various affirmative defenses and asserted a Counterclaim.

In his Counterclaim, Jones alleged fraudulent inducement, misstatements, and breach of contract, involving an employment agreement and promissory note.

In its Reply to Counterclaim, BAI denied the allegations of wrongdoing set forth in Jones' Counterclaim and set forth various affirmative defenses.

RELIEF REQUESTED

In its Statement of Claim, BAI requested \$68,000.00 in compensatory damages, \$148.00 for repayment of commission deficit, \$6,498.38 for interest accrued from February 21, 2004 through January 18, 2006, and costs, including attorney's fees.

In his Statement of Answer, Jones requested dismissal of BAI's Statement of Claim in its entirety and costs, including attorney's fees.

In his Counterclaim, Jones requested \$1,746,958.00 in consequential damages, \$2,000,000.00 in punitive damages, and costs, including attorney's fees.

In its Reply to the Counterclaim, BAI requested dismissal of Jones' Counterclaim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On February 8, 2005, counsel for BAI signed a Waiver Agreement on behalf of BAI expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On April 11, 2005, Jones and Jones' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

By letter dated February 3, 2006, BAI advised NASD Dispute Resolution of the parties' settlement and agreement to request a Stipulated Award.

STIPULATION

The parties stipulated to the entry of this Award in the event Jones failed to comply with the payment terms set forth in the Settlement Agreement entered into between the parties in February 2006. Pursuant to the Settlement Agreement, Jones waived any right to an arbitration hearing. The parties also agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered. In either case, the parties have agreed to receive copies of the Stipulated Award while the original(s) remain on file with NASD Dispute Resolution.

AWARD

After considering the pleadings and the parties' request for this Stipulated Award, the Panel decided in full resolution of the issues submitted for determination as follows:

- 1) BAI and Jones have entered into a confidential settlement agreement.
- 2) Jones shall pay to BAI the sum of \$108,557.70, plus interest at the rate of 5% per annum from January 18, 2006, to the date of payment, less any amounts paid by Jones under the Settlement Agreement entered into between BAI and Jones in February 2006.
- 3) Except as otherwise specified herein, each party shall bear its own costs and attorneys fees.
- 4) Jones is liable for and shall pay to NASD Dispute Resolution one-half of any forum fees and/or hearing cancellation fees assessed by the Panel.
- 5) BAI is liable for and shall pay to NASD Dispute Resolution one-half of any forum fees and/or hearing cancellation fees assessed by the Panel.
- 6) Any and all other relief not specifically addressed herein is denied.

FEES

Pursuant to the *NASD Code of Arbitration Procedure* (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:

Banc of America's Initial claim filing fee	= \$ 1,000.00
Jones' Counterclaim filing fee	= \$ 600.00

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 BAI is a party and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 6,850.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

Adjournment of February 7-10, 2006 hearing dates requested by parties = \$ 750.00

1. The Panel assessed \$375.00 of the Adjournment Fees to BAI.
2. The Panel assessed \$375.00 of the Adjournment Fees to Jones.

Three-Day Cancellation Fees

Three-day cancellation fees apply when a hearing on the merits is postponed or settled within three business days before the start of the first scheduled hearing session. The following three-day cancellation fees are assessed:

Cancellation of February 7-10, 2006 hearing dates: = \$ 300.00

1. The parties agreed that \$150.00 of the Three-Day Cancellation Fee is assessed to BAI.
2. The parties agreed that \$150.00 of the Three-Day Cancellation Fee is assessed to Jones.

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 Panel. The following fees are assessed:

One (1) Pre-hearing conference session with the Chair @ \$450.00/session = \$ 450.00
Pre-hearing conference: January 31, 2006 1 session

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session = \$ 1,200.00
Pre-hearing conference: June 29, 2005 1 session

Total Forum Fees = \$ 1,650.00

1. The parties agreed that \$825.00 of the Forum Fees is assessed to BAI.
2. The parties agreed that \$825.00 of the Forum Fees is assessed to Jones.

Fee Summary

1. BAI is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 6,850.00
Adjournment Fee	= \$ 375.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 825.00
Total Fees	= \$ 9,200.00
Less payments	= \$ (8,600.00)
Balance Due NASD Dispute Resolution	= \$ 600.00

2. Jones is charged with the following fees and costs:

Counterclaim Filing Fees	= \$ 600.00
Adjournment Fee	= \$ 375.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 825.00
Total Fees	= \$ 1,950.00
Less payments	= \$ (1,800.00)
Balance Due NASD Dispute Resolution	= \$ 150.00

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

Robert P. Clifford	-	Non-Public Arbitrator, Presiding Chair
Michael W. Burnett	-	Non-Public Arbitrator
Ronald E. Ogden	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Robert P. Clifford
Chair, Non-Public Arbitrator

Signature Date

Michael W. Burnett
Non-Public Arbitrator

Signature Date

Ronald E. Ogden
Non-Public Arbitrator

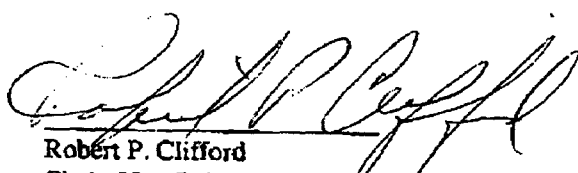
Signature Date

Date of Service

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Signature Date

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Signature Date

3/29/06
Date of Service

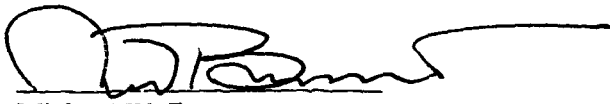
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Non-Public Arbitrator

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Non-Public Arbitrator

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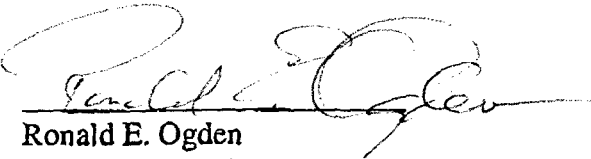
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Non-Public Arbitrator

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Signature Date

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Date of Service