

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 05-02363

Jerry Mason Drumm

Names of the Respondents

Hearing Site: Charlotte, North Carolina

Raymond James Financial Services, Inc.
David Watts McMahan

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimant Jerry Mason Drumm, hereinafter referred to as "Claimant", was represented by Rosalind M. Robertson, Esq., SimmonsCooper, LLP, East Alton, Illinois.

Respondents Raymond James Financial Services, Inc. ("Raymond James") and David Watts McMahan ("McMahan"), hereinafter collectively referred to as "Respondents", was represented by Erin Linehan, Esq., Raymond, James & Associates, Inc., St. Petersburg, Florida.

CASE INFORMATION

Statement of Claim filed on May 3, 2005.

Claimant signed the Uniform Submission Agreement on April 29, 2005 and April 18, 2006.

Statement of Answer filed by Respondents on June 28, 2005.

Respondent McMahan signed the Uniform Submission Agreement on June 20, 2005.

Respondent Raymond James did not file a Uniform Submission Agreement with NASD Dispute Resolution.

CASE SUMMARY

Claimant asserted the following causes of action, among others: breach of fiduciary duty, breach of contract, violation of the Securities Exchange Act of 1934, violation of the North Carolina Securities Act, violation of North Carolina's RICO Act, and negligence. The causes of action relate to various stocks including: Intel, Sun Microsystems, Cisco, Dell and JDS Uniphase.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: statute of limitations, negligence, assumption of risk, ratification, estoppel, contributory/comparative negligence, and failure to mitigate.

RELIEF REQUESTED

Claimant in his Statement of Claim requested compensatory damages of \$123,000.00, punitive damages of three times compensatory damages, costs, attorneys' fees, and interest.

Respondents in their Statement of Answer requested that the Statement of Claim be dismissed and that costs and fees be awarded to Respondents.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Raymond James 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 and, having answered the claim, appeared at the hearing, is bound by the determination of the Panel on all issues submitted.

Claimant originally incorrectly named Raymond James & Associates, Inc. as a Respondent in this matter instead of Raymond James Financial Services, Inc. On August 9, 2005, the parties filed a Stipulation for Dismissal and Substitution, which dismissed Raymond James & Associates, Inc. and added Raymond James Financial Services, Inc. as a party.

The parties have 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, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable to and shall pay to Claimant compensatory damages in the amount of \$77,000.00 plus simple interest at a rate of 3% per annum from February 15, 2003 until the date the award is paid in full;
2. Respondents are jointly and severally liable to and shall pay to Claimant attorneys' fees in the amount of \$10,000.00, pursuant to North Carolina Statute 78A-56;
3. The parties shall bear their respective costs, including attorneys' fees, except as stated above and 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 = \$ 300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent Raymond James is a party.

Member surcharge = \$1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,750.00

Total Member Fees = \$5,200.00

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:

Two (2) Decisions on discovery-related motions on the papers
with one arbitrator @ \$200.00 = \$ 400.00

Claimant submitted one discovery-related motion

Respondent submitted one discovery-related motion

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$1,125.00

Pre-hearing conference: September 16, 2005 1 session

Six (6) Hearing sessions @ \$1,125.00 = \$6,750.00

Hearing Dates: March 21, 2006 2 sessions

March 22, 2006 2 sessions

March 23, 2006 2 sessions

Total Forum Fees = \$8,275.00

1. The Panel has assessed \$4,137.50 of the forum fees to Claimant.
2. The Panel has assessed \$2,068.75 of the forum fees to Respondent Raymond James.
3. The Panel has assessed \$2,068.75 of the forum fees to Respondent McMahan

FEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$4,137.50</u>
Total Fees	= \$4,437.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$3,012.50

2. Respondent is assessed and shall pay the following fees:

Member Fees	= \$5,200.00
<u>Forum Fees</u>	<u>= \$2,068.75</u>
Total Fees	= \$7,268.75
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$2,068.75

3. Respondent is assessed and shall pay the following fees:

<u>Forum Fees</u>	<u>= \$2,068.75</u>
Total Fees	= \$2,068.75
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$2,068.75

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

ARBITRATION PANEL

Sanford S. Finder, Esq.	-	Public Arbitrator, Presiding Chairperson
Bernadette F. Rasmussen	-	Public Arbitrator, Panelist
Sandra J. Bakalus	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Sanford S. Finder, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Bernadette F. Rasmussen
Public Arbitrator, Panelist



Signature Date

Sandra J. Bakalus
Non-Public Arbitrator, Panelist

Signature Date



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

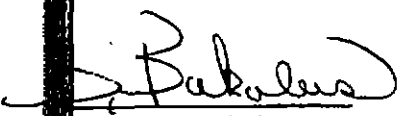
Concurring Arbitrators' Signatures

Stanford S. Finder, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Bernadette F. Rasmussen
Public Arbitrator, Panelist

Signature Date



Sandra J. Bakalus
Non-Public Arbitrator, Panelist

Signature Date

April 26, 2006

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

Concurring Arbitrators' Signatures



Sanford S. Finder, Esq.
Public Arbitrator, Presiding Chairperson



Signature Date


Bernadette F. Rasmussen
Public Arbitrator, Panelist

Signature Date


Sandra J. Bakalus
Non-Public Arbitrator, Panelist

Signature Date


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