
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Georgina Hagel

Case Number: 05-04715

Name of the Respondent

F. Mackey Hughes

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Associated Person.

REPRESENTATION OF PARTIES

For Georgina Hagel, hereinafter referred to as "Claimant": Pamela A. Leone, Esq., Miami, Florida and Chandra Parker Doucette, Esq., Boca Raton, Florida..

For F. Mackey Hughes, hereinafter referred to as "Respondent": Melissa L. Mackiewicz, Esq., Piper Rudnick Gray Cary, LLP, Baltimore, Maryland.

CASE INFORMATION

This case was severed from Case No. 04-07026. In that case the following pleadings were filed:

Statement of Claim filed on or about: October 5, 2004.

Claimant signed the Uniform Submission Agreement: August 9, 2004.

Answer and Motion to Dismiss filed by Respondent on or about: February 18, 2005.

Respondent signed the Uniform Submission Agreement: February 18, 2005.

Supplement to Motion to Dismiss filed by Respondent on or about: May 9, 2005.

Response to Motion to Dismiss filed by Claimant on or about: May 27, 2005.

Reply to Claimant's Opposition to his Motion to Dismiss filed by Respondent on or about: June 3, 2005.

Motion to Expunge filed by Respondent on or about: August 9, 2005.

Motion to Sever filed by Respondent on or about: August 15, 2005.

The following pleadings were filed in this matter:

Motion to Expunge filed by Respondent on or about: August 9, 2005.

CASE SUMMARY

Claimant asserted the following causes of action in NASD Case Number 04-07026: 1) breach of fiduciary duty; 2) violation of federal and state securities laws; 3) negligence and negligent supervision; 4) fraud; and, 5) negligent misrepresentation. The causes of action relate to the purchase and sale of various stocks including, but not limited to, Sun Microsystems Inc., Foundry Networks Inc., Digital Angel Corp., Intel Corp., Lucent

Technologies Inc., Cisco Systems Inc., Sunbeam Corp., Microsoft Corp., Human Genome Sciences and Ziplink plus, the use of margin trading in Claimant's accounts.

Unless specifically admitted in his Answer and Motion to Dismiss, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In NASD Case Number 04-07026, Claimant requested compensatory damages in the amount of \$1,000,000.00, interest, costs and expenses, attorney's fees, commissions and profits, punitive damages and other relief as this Panel deemed proper.

Respondent requested that the Statement of Claim be dismissed in its entirety and an award of costs, expenses and other relief as this Panel deemed just and proper. In addition, Respondent requested that this matter be expunged from his NASD Central Registration Depository (the "CRD") record.

OTHER ISSUES CONSIDERED AND DECIDED

On or about February 18, 2005, Respondent filed his Answer and Motion to Dismiss the Statement of Claim in NASD Case Number 04-07026 on the grounds that he was named as a Respondent in error because he had no connection to this dispute.

On or about June 9, 2005, the Panel issued an Order granting Respondent's Motion to Dismiss, however, said dismissal would not become effective until sixty days after the date of this ruling. They further stated that if Claimant supplies additional evidence that refutes the representations made by Respondent that he did not make recommendations with respect to securities while he was the branch manager or otherwise under his supervision, within the sixty days of the date of their Order, the Panel may reconsider their ruling. Claimant did not file any additional evidence with NASD Dispute Resolution within the sixty days.

On or about August 9, 2005, Respondent filed a Motion to Expunge his NASD CRD record.

On or about August 16, 2005, Respondent filed a Motion for Severance in order to obtain immediate expungement of his NASD CRD record. Pursuant to this motion, on or about August 29, 2005, the Panel issued an Order granting Respondent's Motion to Sever and stating that Respondent's dismissal became effective sixty days after their June 9, 2005 Order.

On or about September 26, 2005, the Panel issued an Order that granted Respondent's Motion to Expunge his NASD CRD record.

Pursuant to the August 29, 2005 Order from the Panel the following procedures occurred:

1) This case was severed from NASD Arbitration Number 04-07026, *Georgina J. Hagel vs. F. Mackey Hughes et al.*;

2) NASD Dispute Resolution established a new case with a new number of 05-04715 and with a caption of *Georgina Hagel vs. F. Mackey Hughes*. Said new case does not include any other Respondents from the original case;

3) Respondent shall pay a \$250.00 filing fee in order for NASD Dispute Resolution to process the expungement;

4) That the provisions of Rules 10314, 10308 and 10321 of the NASD Code of Arbitration Procedure (the "Code") do not apply to the new case; and,

5) That the Claimant does not have to file a response in this new case.

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

AWARD

After considering the pleadings and the request for expungement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent was dismissed from the matter of NASD Arbitration Number 04-07026, *Georgina J. Hagel vs. F. Mackey Hughes et al.*, with prejudice.

The Panel makes an arbitral finding under NASD Rule 2130 that Respondent was not involved in the alleged investment related sales practice violation and recommends the expungement of all reference to NASD Arbitration Number 04-07026, *Georgina J. Hagel vs. F. Mackey Hughes et al.* 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.

The Panel directs Claimant and her counsel to cooperate and take all actions necessary so that Respondent may obtain confirmation of the expungement order from a court of competent jurisdiction

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	= \$250.00
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Member Fees

No member fees were incurred in this matter.

Adjournment Fees

No requests for adjournments were filed in this matter.

Three-Day Cancellation Fees

No cancellation fees were assessed in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

No forum fees were incurred in this matter.

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

Respondent is solely liable for:

Initial Filing Fee	= \$ 250.00
Total Fees	= \$ 250.00
Less payments	= \$ 250.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

<i>Bernard S. Carrey, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Laz L. Schneider, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Fredrick T.W. Reed</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

_____/s/
Bernard S. Carrey, Esq.
Public Arbitrator, Presiding Chairperson

09/28/05
Signature Date

NASD Dispute Resolution

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/s/
Laz L. Schneider, Esq.
Public Arbitrator

09/27/05
Signature Date

/s/
Fredrick T.W. Reed
Non-Public Arbitrator

09/27/05
Signature Date

09/28/05
Date of Service (For NASD Dispute Resolution office use only)

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Bernard S. Carrey, Esq.

Laz L. Schneider, Esq.

Fredrick T.W. Reed

- *Public Arbitrator, Presiding Chairperson*
- *Public Arbitrator*
- *Non-Public Arbitrator*

Concurring Arbitrators' Signatures


Bernard S. Carrey, Esq.
Public Arbitrator, Presiding Chairperson

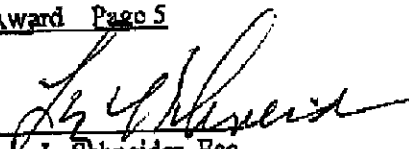
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Signature Date

FROM :NASD

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Laz L. Schneider, Esq.
Public Arbitrator

9/27/2005
Signature Date

Fredrick T. W. Reed
Non-Public Arbitrator

Signature Date

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

FROM : Fredrick Reed

Sep. 27 2005 12:30PM P2

FROM : NASD

FAK NO. : 5514474915

Sep. 27 2005 12:24PM P6

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Laz L. Schneider, Esq.
Public Arbitrator

Signature Date

Fredrick T.W. Reed
Fredrick T.W. Reed
Non-Public Arbitrator

Sept 27, 2005
Signature Date

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