

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
:
Herbert W. & Sue W. Phillips :
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Claimants :
:
vs. :
:
Morgan Keegan & Co., Inc. :
Tommy Thompson :
:
Respondents :

CASE #90-02552
AWARD

CASE SUMMARY

Herbert W. and Sue W. Phillips, in a claim filed with the National Association of Securities Dealers, Inc. on September 12, 1990, alleged that Respondent and broker, Tommy Thompson, while employed at Morgan Keegan & Co., Inc., misrepresented the income benefit for replacing tax-free municipal bonds with corporate bonds said transactions allegedly resulting in a loss of income to Claimants.

Respondents, Morgan Keegan & Co., Inc. and Tommy Thompson in a joint Answer, maintained that the investment in question was consistent with Claimant's past investment patterns and that Respondents were not informed that the Claimants were in a twenty-eight percent income bracket. They state that Claimants failed to complain of the transactions in a timely manner and that they have suffered no damages and, in fact, derived a gain.

Claimants reply that eighty percent of their portfolio was in bonds, that they owned only two corporate bonds, that there was no effective return created by the bond transactions which generated commissions for the Respondents and generally reiterate the allegations of their Claim.

Respondent Tommy Thompson amended his Statement of Answer with an affidavit in support of his position.

RELIEF REQUESTED

Claimants request damages of Four Thousand Eight Hundred Seventy-Seven Dollars and Sixty Cents (\$4,877.60).

Respondents request dismissal of the claim.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Daniel E. Bivens, III, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on September 6, 1990 and by the Respondents on January 16, 1991 and December 17, 1990, respectively;

And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. That the Claim of Herbert W. and Sue W. Phillips be, and hereby is, dismissed in its entirety.
2. The Sixty-Two Dollars and Fifty Cents (\$62.50) of the filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants is assessed against the Respondents, jointly and severally, and payable by the Respondents Morgan Keegan & Co., Inc. and Tommy Thompson to the Claimants, Herbert W. and Sue W. Phillips.

AFFIRMATION

I, DANIEL E. BIVENS, III, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

Daniel E. Bivens III
Signature of Arbitrator

DATED: 4/19/91