

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Leckie Mattox, III  
Ruth Mattox  
Automatic Gas Co. of Eufaula, Inc.

94-00411

Name of Respondent(s)

Morgan Keegan & Company Inc  
Walter Y. Hooper

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**REPRESENTATION**

For Claimants Leckie Mattox, III, Ruth Mattox and Automatic Gas Co. of Eufaula, Inc.: Ray O. Noojin, Jr., Esq. of the law firm of Hare, Wynn, Newell and Newton, Birmingham, AL.

For Respondents Morgan Keegan and Company, Inc. and Walter Y. Hooper: Michael Richards, Esq. of the law firm of Baker, Donelson, Bearman and Caldwell, Memphis, TN.

**CASE INFORMATION**

Statement of Claim filed: February 1, 1994.

Claimant Leckie Mattox, III's Submission Agreement signed on: February 24, 1994.

Claimant Ruth Mattox's Submission Agreement signed on: March 14, 1994.

Claimant Automatic Gas Company of Eufaula's Submission Agreement signed on: March 14, 1994.

Joint Statement of Answer filed by Respondents Morgan Keegan and Company, Inc. and Walter Y. Hooper on: June 15, 1994.

Respondent Morgan Keegan and Company, Inc.'s Submission Agreement signed on: August 16, 1994.

Respondent Walter Y. Hooper's Submission Agreement signed on: August 11, 1994.

### **HEARING INFORMATION**

Hearing Date/Session: January 23, 1995 / One Session

Hearing Location: NASD offices located in Atlanta, GA.

### **CASE SUMMARY**

Claimants alleged Claimant Leckie Mattox, III indicated to the Respondent Walter Y. Hooper that he wanted a secure investment for three accounts and Walter Y. Hooper represented to Mr. Mattox that First Executive Corporation was setting up a "sinking fund" to retrieve its stock between 1991 and 1995 but in the interim the stock would be a sound investment. Claimants further alleged that based upon those representations, the Claimants purchased approximately 20,000 worth of stock in First Executive Corporation and, subsequently, First Executive Corporation declared bankruptcy and the stock is now virtually worthless. Claimants further alleged the Respondents were guilty of fraud, misrepresentation and deceit and Respondents knew or had reason to know the representations were false and Respondents breached their fiduciary duty owed to Claimants.

Respondents maintained that the complaint fails to state a claim upon which relief can be granted and denied the allegations contained in the complaint. Respondents further maintained the complaint is barred by estoppel, laches, waiver and the applicable statute of limitations. Respondents further maintained the Claimants ratified the trade complained of and assumed the risks of the trade. Respondents further maintained the Claimants are not entitled to punitive damages.

### **RELIEF REQUESTED**

Claimants requested actual damages based on principal and lost interest in the sum of \$32,959.00, attorneys' fees in the sum of \$11,000.00, the sum of \$1,500.00 representing costs and an unspecified amount of damages for time and emotional impact.

Respondents requested a dismissal of all claims against them.

**AWARD**


After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

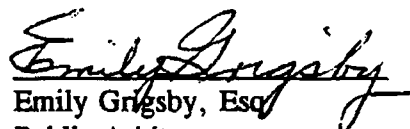
1. All claims by the Claimants against the Respondents are dismissed in all respects.
2. The Claimants' request for damages for emotional impact is denied.
3. Each party shall bear their respective costs including attorneys' fees.

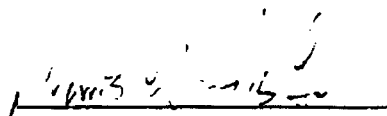
**FORUM FEES**

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the claim filing fee and the hearing session deposit previously paid by the Claimants to the NASD.

**ARBITRATOR'S SIGNATURE**

  
Chandler Bridges, Esq.  
Public Arbitrator

  
Emily Grigsby, Esq.  
Public Arbitrator

  
Norris A. Broyles, Jr.  
Industry Arbitrator

Date of Decision: February 24, 1995