

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Jack A. Serio

and

NASD Case Number: 95-01764

Name of Respondents

Morgan Keegan & Company, Inc.
Hugo Urrea

REPRESENTATION OF PARTIES

Claimant Jack A. Serio was represented by Gerald Wasserman, Esq. of Bach & Wasserman, Metairie, Louisiana.

Respondent Morgan Keegan & Company, Inc. was represented by David M. Minnick, Esq. of Morgan Keegan & Company, Inc., Memphis, Tennessee.

Respondent Hugo Urrea appeared pro se.

CASE INFORMATION

The Statement of Claim was filed with the National Association of Securities Dealers, Inc. ("NASD") by Claimant Jack A. Serio on or about April 10, 1995.

Claimant's Submission Agreement was signed on April 4, 1995.

The Statement of Answer was filed with the NASD by Respondent Morgan Keegan & Company, Inc. on or about June 16, 1995.

Respondent Morgan Keegan & Company, Inc.'s Submission Agreement was signed on June 16, 1995 by David Minnick, General Counsel of Morgan Keegan & Company, Inc.

The Statement of Answer was filed with the NASD by Respondent Hugo Urrea on or about February 12, 1996.

The NASD has no record that Respondent Hugo Urrea signed a Submission Agreement.

HEARING INFORMATION

The hearing was held on February 27, 1996 in New Orleans, Louisiana for two (2) sessions.

CASE SUMMARY

Claimant Jack A. Serio ("Claimant") brought the claim against Respondent Morgan Keegan & Company, Inc. ("Morgan Keegan") and Respondent Hugo Urrea ("Urrea") for trading losses resulting from the purchase and sale of stock and options in the amount of \$25,147.81. Claimant alleged that an employee of a brokerage firm was not permitted to recommend, solicit and trade in his company's stock. Claimant maintained that it was inappropriate for a broker to solicit from a client permission to trade an option when the client has completely no understanding of the purpose and function of an option. Claimant asserted that the actions of Respondent Urrea may have constituted unfair trade practices.

Respondent Morgan Keegan denied all liability to Claimant in its Statement of Answer. Morgan Keegan alleged that Claimant's purchase of 5000 shares of Morgan Keegan stock were unsolicited. Morgan Keegan asserted that Claimant was a knowledgeable investor who represented that he had prior options trading experience.

Respondent Hugo Urrea provided a letter from the Chicago Board of Options Exchange and attached documents as a Statement of Answer.

RELIEF REQUESTED

Claimant requested an award of compensatory damages in the amount of \$25,147.81, as well as an award of punitive damages in the amount of \$10,000. Claimant also requested an award of attorney's fees, costs and interest.

Respondent Morgan Keegan requested that the Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Hugo Urrea did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to §12 of the NASD Code of Arbitration Procedure (the "Code") and having appeared and testified is bound by the determination of the arbitration panel on all issues submitted.

Respondent Morgan Keegan & Company, Inc. was dismissed by Claimant Jack A. Serio prior to the hearing.

Pursuant to Section 40 of the NASD Code of Arbitration Procedure, the panel carefully considered the documents submitted post-hearing by Respondent Hugo Urrea.

The parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD.

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. Respondent Hugo Urrea is liable for and shall pay to Claimant Jack A. Serio compensatory damages in the amount of Two Thousand Eight Hundred and Fifty Three Dollars and No Cents (\$2,853.00), inclusive of interest;
2. Claimant Jack A. Serio's request for punitive damages is hereby denied;
3. Other than forum fees as specified below, the parties shall each bear their own costs, expenses and attorney's fees incurred in this matter; and
4. Any relief not specifically enumerated is hereby denied.

FORUM FEES

Forum fees are calculated at the rate of \$400 per hearing session. There were two (2) hearing sessions x \$400 = \$800 in forum fees. Pursuant to §43(b) a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$120 previously deposited with the NASD by the Claimant. The NASD shall retain the hearing session deposit in the amount of \$400 previously deposited with the NASD by the Claimant. The NASD shall retain the Section 45 Member Surcharge in the amount of \$200.

Respondent Hugo Urrea is assessed and shall pay to the NASD forum fees in the amount of \$400.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators' Signatures

\s\ Daniel Eugene Bivins, III
Daniel Eugene Bivins, III
Chairperson
Public Arbitrator

March 12, 1996
Dated:

\s\ Donald H. Fidler, Esq.
Donald H. Fidler, Esq.
Panelist
Public Arbitrator

March 13, 1996
Dated:

\s\ James Max Moudy, Esq.
James Max Moudy, Esq.
Panelist
Industry Arbitrator

March 12, 1996
Dated:

For NASD use only:

Date award served on the parties: March 12, 1996