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Stipulated Award  
NASD Dispute Resolution, Inc.

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In the Matter of the Arbitration Between:

MORGAN KEEGAN & COMPANY, INC.  
Claimant,

v.

VERLEY LEE "ROCKY" SEMBRITZKY  
Respondent.

Case Number: 99-02624

Hearing Site: Houston, Texas

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REPRESENTATION OF PARTIES

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Claimant, Morgan Keegan & Company, Inc. ("Morgan Keegan"), hereinafter referred to as "Claimant": Michael K. Henry, Esq., Morgan Keegan & Company, Inc., Memphis, Tennessee

Respondent, Verley Lee "Rocky" Sembritzky ("Sembritzky"), hereinafter referred to as "Respondent": Kenneth R. Breitbeil, Esq., McFall Sherwood & Breitbeil, Plaza, Houston, Texas.

CASE INFORMATION

Statement of Claim filed on or about June 3, 1999.

Claimant signed the Uniform Submission Agreement on or about June 3, 1999.

Answer filed by Respondent on or about January 3, 2000 and an Amended Answer was filed on or about August 11, 2001.

Respondent signed the Uniform Submission Agreement on or about January 3, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: Respondent, a former employee of Claimant's, was indebted to Claimant based upon promissory notes executed by Respondent and based upon two instances of commissions being advanced to the Respondent by the Claimant for transactions which were not consummated.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Forced Resignation, Quantum Merit, and Unjust Enrichment.

### OTHER ISSUES CONSIDERED AND DECIDED

The parties entered into a settlement agreement prior to the hearing on the merits of this case. As a result, they entered into a Stipulated Award in which they agreed that Respondent, Sembritzky is liable for \$190,000.00 in compensatory damages to Claimant, Morgan Keegan. The parties subsequently asked for the Panel to approve this Stipulated Award.

### RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$167,451.35
Punitive Damages	\$ Unspecified
Interest	\$ Unspecified
Attorneys' Fees	\$ Unspecified
Other Costs	\$ Unspecified
Other Monetary/Non-Monetary Relief if any:	

Respondent requested that the claims against him be dismissed.

### AWARD

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

1. Respondent Verley Lee "Rocky" Sembritzky is solely liable for, and shall pay to Claimant, Morgan Keegan & Company, Inc., the sum of \$190,000.00 (One Hundred Ninety Thousand Dollars) in compensatory damages.
2. Each party shall bear its own costs and attorney's fees.
3. Any and all relief not specifically addressed herein is denied and this is a final judgment of this matter.

### FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$1,000.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is the Respondent.

Member surcharge = \$ 1,500.00  
 Pre-hearing process fee = \$ 600.00  
 Hearing process fee = \$ 2,500.00

Forum Fees and Assessments

The Panel has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$ 1,125.00		= \$ 2,250.00
Pre-hearing conferences:	May 18, 2000	1 session
	April 23, 2001	1 session
<hr/> Total Forum Fees		= \$ 2,250.00

1. The panel has assessed \$1,125.00 of the forum fees to Morgan Keegan & Company.
2. The panel has assessed \$1,125.00 of the forum fees to Verley Lee "Rocky" Sembritzky.

Fee Summary

1. Claimant is solely liable for:
 

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 4,600.00
<u>Forum Fees</u>	= \$ 1,125.00
Total Fees	= \$ 6,725.00
<u>Less payments</u>	= \$ 6,725.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 00

2. Respondent is solely liable for:

Forum Fees	= \$ 1,125.00
Total Fees	= \$ 1,125.00
<u>Less payments</u>	= \$ 00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,125.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Charles V. Dwyer, Jr.	-	Non-Public Arbitrator, Presiding Chair
Larry J. Sklar	-	Non-Public Arbitrator
John Kerlin Walters, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signature(s)

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Charles V. Dwyer, Jr.  
Non-Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Larry J. Sklar  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
John Kerlin Walters, Jr.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service

2. Respondent is solely liable for:

Forum Fees	= \$ 1,125.00
Total Fees	= \$ 1,125.00
Less payments	= \$ 00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,125.00

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Charles V. Dwyer, Jr.  
Larry J. Sklar  
John Kerlin Walters, Jr.

- Non-Public Arbitrator, Presiding Chair  
- Non-Public Arbitrator  
- Non-Public Arbitrator

Concurring Arbitrators' Signature(s)



Charles V. Dwyer, Jr.  
Non-Public Arbitrator, Presiding Chair

NOV 14 '01

Signature Date

Larry J. Sklar  
Non-Public Arbitrator

Signature Date

John Kerlin Walters, Jr.  
Non-Public Arbitrator

Signature Date

Date of Service

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NASD REGULATION

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Non-Public Arbitrator, Presiding Chair

Signature Date

  
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Non-Public Arbitrator

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Morgan Keegan V Sembritzky  
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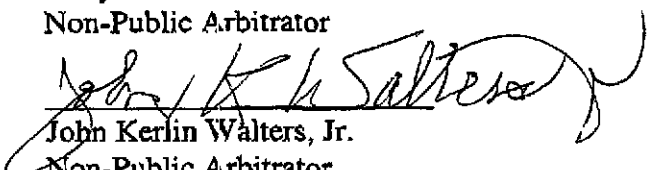
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11/14/01  
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Signature Date

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Date of Service