

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Merrill Lynch, Pierce, Fenner & Smith, Inc. (Claimants) vs. Ashley Hodge, Robert Straight and J.C. Bradford & Co. (Respondents).

Case Number: 99-03019

Hearing Site: Dallas, TX

REPRESENTATION OF PARTIES

Claimant, Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Claimant or Merrill Lynch"): Christopher C. Coss, Esq., Rubin Associates, P.C.

Respondents, Ashley Hodge ("Hodge") and Robert Straight ("Straight") (collectively referred to as "individual Respondents"): Lela M. Hollabaugh, Esq., Waller, Lansden, Dortch & Davis.

Respondent, J.C. Bradford & Co. ("J.C. Bradford"): Timothy J. Goodwin, Esq., Jenkins & Gilchrist.

CASE INFORMATION

Statement of Claim filed on or about July 2, 1999.

Claimant, Merrill Lynch signed the Uniform Submission Agreement: July 6, 1999 by its Administrative Manager, Margaret Ruckriegel.

Statement of Answer filed by Respondents, Hodge and Straight, on or about: July 16, 1999.

The NASD has no record of Respondent Hodge filing a Uniform Submission Agreement.

The NASD has no record of Respondent Straight filing a Uniform Submission Agreement.

Statement of Answer filed by J.C. Bradford on or about July 14, 1999.

The NASD has no record of Respondent J.C. Bradford filing Uniform Submission Agreement.

CASE SUMMARY

Claimant Merrill Lynch asserted the following causes of action: breach of employment agreements, breach of their duties of loyalty to Merrill Lynch, misappropriation and conversion of Merrill Lynch's trade secrets and business property, unfair competition and ongoing raiding, interference with contract.

Unless specifically admitted in its Answer, Respondents Hodge and Straight denied the allegations made in the Statement of Claim. Hodge and Straight deny that they are guilty of any conduct which would entitle Merrill Lynch to any relief in this case, injunctive, monetary or otherwise.

Unless specifically admitted in its Answer, Respondent J.C. Bradford denied the allegations made in the Statement of Claim. J.C. Bradford denies that it is guilty of any conduct which would entitle Merrill Lynch to any relief in this case, injunctive, monetary or otherwise.

RELIEF REQUESTED

Claimant Merrill Lynch requested:

Compensatory Damages	unspecified
Punitive Damages	unspecified
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	injunctive

Respondent Hodge and Straight requested:

Other Monetary/Non-Monetary Relief if any:	unspecified
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Respondent J.C. Bradford requested:

Other Monetary/Non-Monetary Relief if any:	unspecified
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OTHER ISSUES CONSIDERED AND DECIDED

Respondents Hodge, Straight and J.C. Bradford did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Arbitration Panel on all issues submitted.

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

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Arbitration Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That the US District Court of Texas injunction is extended as a permanent injunction until midnight at January 6, 2000 at which time the permanent injunction dissolved;
2. That other than forum fees, which are addressed below, all other claims and requests for relief not specifically awarded are hereby denied.

FEE\$

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$500.00

Member Fees

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

Member surcharge	= \$1,200.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$2,000.00

Adjournment Fees

No Adjournments were granted during these proceedings.

Forum Fees and Assessments

The Arbitration Panel assesses 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:

One (1) Pre-hearing sessions with Panel x \$1000.0 = \$1000.00

Pre-hearing conferences: July 14, 1999 1 session

Four (4) Hearing sessions x \$1000.00	= \$4000.00
Hearing Date(s): August 4, 1999	2 sessions
August 5, 1999	2 session
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Total Forum Fees	= \$5000.00

1. The Arbitration Panel has assessed \$2000.00 of the forum fees to Respondent Straight and Hodges.
2. The Arbitration Panel has assessed \$2000.00 of the forum fees to J.C. Bradford.
3. The Arbitration Panel has assessed \$1000.00 of the forum fees to Merrill Lynch.

Fee Summary

1. Claimant, Merrill, be and hereby is solely liable for:

Initial Filing Fee	= \$500.00
Member Fees	= \$3,800.00
Injunctive Fee	= \$2,500.00
Adjournment Fee	= \$0
Forum Fees	= \$1000.00
<u>Administrative Costs</u>	<u>= \$ 0</u>
Total Fees	= \$ 7,800.00
<u>Less payments</u>	<u>= \$ 2,700.00</u>
Balance Due NASD Regulation, Inc.	= \$ 5,100.00

3. Respondent, J.C. Bradford, be and hereby is solely liable for:

Member Fees	= \$3,800.00
Adjournment Fee	= \$0
Forum Fees	= \$2,000.00
<u>Administrative Costs</u>	<u>= \$ 0</u>
Total Fees	= \$5,800.00
<u>Less payments</u>	<u>= \$ 3,600.00</u>
Balance Due NASD Regulation, Inc.	= \$ 2,200.00

4. Respondents, Straight and Hodges, be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$2,000.00</u>
Total Fees	= \$2,000.00
<u>Less payments</u>	<u>= \$ 0</u>
Balance Due NASD Regulation, Inc.	= \$2,000.00

All balances are due to NASD Regulation, Inc. and are payable within 30 days of the service date of this Award.

Concurring Arbitrators' Signature(s)

/s/ Howard V. Tygrett

October 7, 1999

Howard V. Tygrett
Public Arbitrator, Presiding Chair

Signature Date

/s/ Charles J. Crider

October 5, 1999

Charles J. Crider
Public Arbitrator

Signature Date

/s/ Simeon R. Trotter

October 6, 1999

Simeon R. Trotter
Industry Arbitrator

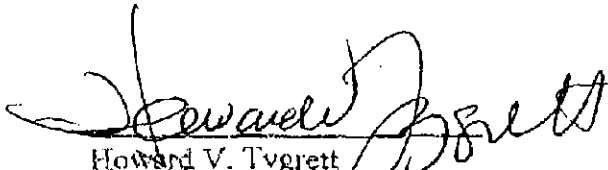
Signature Date

Date of Service (For NASD office use only)

NASD Regulation, Inc. Office of Dispute Resolution
Arbitration No. 99-07010
Award Page 5 of 5

All balances are due to NASD Regulation, Inc. and are payable within 30 days of the service date of this Award.

Concurring Arbitrators' Signature(s)


Howard V. Tygrett
Public Arbitrator, Presiding Chair

10-7-99
Signature Date

Charles J. Crider
Public Arbitrator

Signature Date

Simeon R. Trotter
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Regulation, Inc. Office of Dispute Resolution
Arbitration No. 99-03019
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Concurring Arbitrators' Signature(s)

Howard V. Tygrett
Public Arbitrator, Presiding Chair

Signature Date

Charles J. Crider

Charles J. Crider
Public Arbitrator

Oct 5, 1999
Signature Date

Simeon R. Trotter
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Regulation, Inc. Office of Dispute Resolution
Arbitration No. 99-03019
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Concurring Arbitrators' Signature(s)

Howard V. Tygrett
Public Arbitrator, Presiding Chair

Signature Date

Charles J. Crider
Public Arbitrator

Signature Date



Simeon R. Trotter
Industry Arbitrator

10.6.99

Signature Date

Date of Service (For NASD office use only)

NASD Regulation

Susan Kozik, Esq.

FAX 312-236-9239

Merrill Lynch v. Hodge, Straight and TC Bradford
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