

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Raymond James & Associates, Inc., (Claimant) vs. J.C. Bradford & Co., Don T. Burrows, Jr. and Ken Fenson, (Respondents).

Case Number: 99-04400

Hearing Site: Houston, Texas

REPRESENTATION OF PARTIES

Claimant, Raymond James & Associates, Inc., hereinafter referred to as "Claimant": Shepherd D. Tate, Esq. and Christopher G. Lazarini, Esq., Tate, Lazarini & Beall, PLC, Memphis, Tennessee.

Respondent, J.C. Bradford & Co. ("J.C. Bradford"), hereafter referred to as "Respondent": Lela Hollabaugh, Esq. and Ames Davis, Esq., Wailer Lansden Dortch & Davis, Nashville, Tennessee.

Respondents, Don T. Burrows ("Burrows") and Ken Fenson ("Fenson"), hereinafter collectively referred to as "Respondents": Paul D. Flack, Esq., Clements, O'Neil, Pierce & Nickens, Houston, Texas.

CASE INFORMATION

- Statement of Claim filed on or about: September 28, 1999
- First Amendment to the Statement of Claim filed on or about: October 1, 1999
- Second Amendment to the Statement of Claim filed on or about: October 15, 1999
- Claimant signed the Uniform Submission Agreement: September 29, 1999
- Statement of Answer filed by Respondents, J.C. Bradford and Burrows, on or about: October 12, 1999

CASE SUMMARY

Claimant submitted the following case summary:

Claimant sought injunctive relief and damages against J.C. Bradford and two registered representatives who left Raymond James' Houston taxable fixed income branch with another Raymond James representative to work in a new J.C. Bradford fixed income office in Houston. Raymond James asserted claims of unfair competition, misappropriation of existing business and intentional interference with existing business relationships arising out of the respondents' misappropriation and use of proprietary information, their improper solicitation of customers to move their business from Raymond James to J.C. Bradford prior to their respective resignations from Raymond James, their efforts to withhold making trades with customers until they moved to J.C. Bradford, and claims relating to one respondent's surreptitious access to Raymond James's confidential account assignment database so that he could identify accounts handled by other Raymond James brokers to solicit when he moved to J.C. Bradford.

Respondents did not file case summaries but in Respondents, J.B. Bradford & Co., Inc. and Don T. Burrows' Statement of Answer, Respondents denied the allegations of wrongdoing contained in the Statement of Claim and Amendments.

RELIEF REQUESTED

Claimant requested:

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

Respondents, J.C. Bradford and Burrows, requested:
Dismissal

OTHER ISSUES CONSIDERED AND DECIDED

Following the injunctive hearing held on October 4, 1999 in accordance with Rule 10335(d)(1) of the NASD Code of Arbitration Procedure, Arbitrator Cynthia Thomson Diggs, Esq. ordered J.C. Bradford & Co. to not hire any other brokers from Claimant and ordered Respondents to not destroy or utilize customer lists or confidential information of Claimant. Arbitrator Diggs' temporary order was effective until the issuance of this final award.

On November 12, 1999, Arbitrator Donald H. Fidler, Esq. modified the above order and ordered J.C. Bradford to not hire an employee from Claimant in the State of Texas for any location where J.C. Bradford had no existing staffed offices with brokers or employees.

Respondents, J.C. Bradford, Burrows and Fenson, did not file with the NASD Regulation, Inc. Office of Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and/or testified at the hearing, are bound by the determination of the 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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, J.C. Bradford & Co., is liable for and shall pay to Claimant, Raymond James & Associates, Inc., \$462,600.00 in compensatory damages;
2. Respondent, Don T. Burrows, is liable for and shall pay to Claimant, Raymond James & Associates, Inc., \$577.00 in compensatory damages;
3. Respondent, Ken Fenson, is liable for and shall pay to Claimant, Raymond James & Associates, Inc., \$841.00 in compensatory damages;
4. Simple interest at the rate of 10% per annum shall commence to accrue on the above amounts in this award at 30 days following service of the award in a party;
5. The request for injunctive relief by Claimant, Raymond James & Associates, Inc., is denied in its entirety; and
6. Any and all relief not specifically addressed herein is denied.

FEES

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

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firms are Raymond James & Associates, Inc. and J.C. Bradford & Co.

Member surcharge	= \$1,200
Pre-hearing process fee	= \$600
Hearing process fee	= \$2,000

Adjournment Fees

Adjournments requested during these proceedings:

December 9, 10 and 11, 1999, adjournment by J.C. Bradford & Co. = \$1,000

Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator x \$450	= \$450
Pre-hearing conference: October 4, 1999	1 session
Three (3) Pre-hearing sessions with Panel x \$1,000	= \$3,000
Pre-hearing conferences: October 26, 1999	1 session
November 15, 1999	1 session
November 30, 1999	1 session
Ten (10) Hearing sessions x \$1,000	= \$10,000
Hearing Dates: January 17, 2000	2 sessions
January 18, 2000	2 sessions
January 19, 2000	2 sessions
January 20, 2000	2 sessions
January 21, 2000	2 sessions
Total Forum Fees	= \$13,450

1. The Panel has assessed \$1,725 of the forum fees to Raymond James & Associates, Inc.
2. The Panel has assessed \$6,725 of the forum fees to J.C. Bradford & Co.
3. The Panel has assessed \$4,000 of the forum fees to Don T. Burrows.
4. The Panel has assessed \$1,000 of the forum fees to Ken Fenson.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Raymond James & Associates, Inc., \$10.

Fee Summary

1. Claimant, Raymond James & Associates, Inc., be and hereby is solely liable for:

Initial Filing Fee	= \$500
Injunctive Fee	= \$2,500
Member Fees	= \$3,800
Forum Fees	= \$1,725
<u>Administrative Costs</u>	<u>= \$10</u>
Total Fees	= \$8,535
<u>Less payments</u>	<u>= \$9,210</u>
Refund	= \$675

2. Respondent, J.C. Bradford & Co., be and hereby is solely liable for:

Member Fees	= \$3,800
Adjournment Fee	= \$1,000
Forum Fees	= \$6,725
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Total Fees	= \$11,525
<u>Less payments</u>	<u>= \$4,200</u>
Balance Due NASD Regulation, Inc.	= \$7,325

3. Respondent, Don T. Burrows, is liable for:

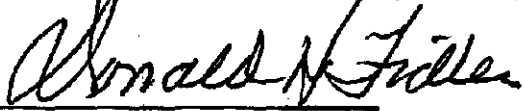
Forum Fee	= \$4,000
Balance Due NASD Regulation, Inc.	= \$4,000

4. Respondent, Ken Fenson, be and hereby is liable for:

Forum Fees	= \$1,000
Balance Due NASD Regulation, Inc.	= \$1,000

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signatures



Donald H. Fidler, Esq.
Public Arbitrator, Presiding Chair

3/27/00
Signature Date

William S. Hopkins
Public Arbitrator

Signature Date

Timothy L. Andrews
Industry Arbitrator

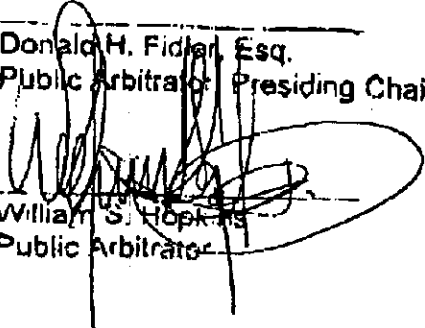
Signature Date

Date of Service (For NASD office use only)

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Donald H. Fidler, Esq.
Public Arbitrator Presiding Chair



William S. Hopkins
Public Arbitrator

Signature Date

8/29/00
Signature Date

Timothy L. Andrews
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Donald H. Fidler, Esq.
Public Arbitrator, Presiding Chair

Signature Date

William S. Hopkins
Public Arbitrator

Signature Date



Timothy L. Andrews
Industry Arbitrator

3/30/00

Signature Date

Date of Service (For NASD office use only)