

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Herbert Cover III, Trustee of
A.B. Cover Trust

Case Number: 08-01659

Name of the Respondent
Morgan Keegan & Company, Inc.

Hearing Site: Richmond, VA

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Herbert Cover III, Trustee of A.B. Cover Trust, hereinafter referred to as "Claimant": Howard B. Prossnitz, Esq., Law Offices of Howard Prossnitz, Chicago, IL.

For Morgan Keegan & Company, Inc. ("Morgan Keegan"), hereinafter referred to as "Respondent": Michael R. Robinson, Esq., Barrasso Usdin Kupperman Freeman & Sarver, L.L.C., New Orleans, LA.

CASE INFORMATION

Statement of Claim filed on or about: May 23, 2008.
Claimant signed the Uniform Submission Agreement: May 22, 2008.
Statement of Answer filed by Respondent on or about: September 10, 2008.
Respondent signed the Uniform Submission Agreement: August 27, 2008.
Motion to Strike and Motion in Limine ("Motion to Strike") filed by Respondent on or about: April 14, 2009.
Claimant's Response to the Motion to Strike filed on or about: April 15, 2009.
Respondent's Reply in support of the Motion to Strike filed on or about: April 16, 2009.

CASE SUMMARY

Claimant asserted the following causes of action: negligence; breach of contract; suitability; and, violation of the Virginia Securities Act. The causes of action relate to the purchase of Morgan Keegan Select Intermediate Bond Fund shares in Claimant's account.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim, and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages of approximately \$47,640.00, return of all commissions, opportunity costs, interest, costs, and such further and other relief the undersigned arbitrators (the "Panel") deemed

appropriate.

Respondent requested dismissal of the Statement of Claim, costs, attorneys' fees, that all FINRA costs of this proceeding be assessed against Claimant, and such other further and general relief to which it may be entitled.

OTHER ISSUES CONSIDERED AND DECIDED

During the evidentiary hearing, Claimant withdrew its causes of action for negligence and breach of contract.

During the evidentiary hearing, the Panel denied Respondent's Motion to Strike as moot.

The Panel acknowledges that they have each read the pleadings and other materials filed by the parties.

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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable and shall pay to Claimant compensatory damages in the sum of \$55,000.00, inclusive of pre-judgment interest.

Respondent is liable and shall pay to Claimant expert witness fees in the sum of \$6,000.00.

Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial claim filing fee = \$ 600.00

**The filing fee is made up of a non-refundable and a refundable portion.*

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. Accordingly, Respondent is a member firm and a party.

Member surcharge = \$ 875.00

Pre-hearing process fee = \$ 750.00

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Hearing process fee = \$1,000.00

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A 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 @ \$450.00/session = \$ 450.00
Pre-hearing conference: March 23, 2009 1 session

One (1) Pre-hearing session with the Panel @ \$600.00/session = \$ 600.00
Pre-hearing conference: October 7, 2008 1 session

Three (3) Hearing sessions @ \$600.00/session = \$1,800.00
Hearing Dates: April 21, 2009 2 sessions
April 22, 2009 1 session

Total Hearing Session Fees = \$2,850.00


The Panel has assessed \$1,425.00 of the hearing session fees to Claimant.
The Panel has assessed \$1,425.00 of the hearing session fees to Respondent.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Jane C. Carney, CPA - Public Arbitrator, Presiding Chairperson
Donita M. King - Public Arbitrator
Frank Warren Moore, II - Non-Public Arbitrator

Concurring Arbitrators' Signatures


Jane C. Carney, CPA
Public Arbitrator, Presiding Chairperson

4/30/2009
Signature Date

Donita M. King
Public Arbitrator

Signature Date

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Hearing process fee = \$1,000.00

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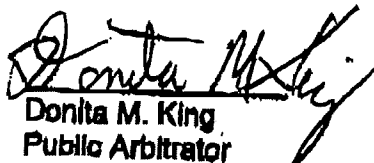
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4/30/09
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Frank Warren Moore, II
Non-Public Arbitrator

4-30-2009
Signature Date

Date of Service (For FINRA Dispute Resolution use only)