
Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Southwest Securities Inc.
Claimant,

Vs.

Weber Investment Corporation and Garry A. Weber
Respondents.

Case Number: 00-03428

Hearing Site: Dallas, Texas

REPRESENTATION OF PARTIES

Claimant, Southwest Securities Inc. ("Southwest"): Peter D. Wolfson, Esq. and Arthur H. Ruegger, Esq. of the firm Pryor Cashman Sherman & Flynn LLP, New York, New York.

Respondents, Weber Investment Corporation ("Weber Investment") and Garry A. Weber ("Weber"): Ben L. Krage, Esq. and Charles Gail, Esq. of the firm Krage & Janvey, L.L.P., Dallas, Texas.

CASE INFORMATION

Statement of Claim filed on or about: August 21, 2000.

Jerome S. Wade, Vice President and General Counsel of Claimant, Southwest Securities Inc. signed the Uniform Submission Agreement on August 7, 2000.

Respondents, Weber Investments and Weber jointly filed a Statement of Answer on or about September 19, 2000. Respondent/Counter Claimant, Weber Investment filed a Counter Claim and asked for injunctive relief on or about: September 19, 2000.

Garry Weber, on behalf of Respondent, Weber Investment, and in his individual capacity, signed a Uniform Submission Agreement at the commencement of the hearing on May 30, 2000.

Claimant/Counter Respondent filed an Answer to the Statement of Counter Claim on or about: October 2, 2000.

CASE SUMMARY

Claimant, Southwest alleged the following cause of action against the Respondents: Failure to honor legal fees incurred as a result of Respondent's fraud toward Claimant. The causes of action relate to reimbursement of legal expenses incurred in responding to and defending against investigations by the U.S. Attorney's Office for the Northern District of Texas and the Staff of the Fort Worth Office of the U.S. Securities and Exchange Commission. Claimant also sought attorney's fees and costs incurred in bringing the arbitration.

Unless specifically admitted in their Statement of Answer, Respondents, Weber Investment and Weber denied all allegations and requests set forth in the Statement of Claim. Respondents' further denied any responsibility for the claimed legal expenses. Respondents' Counterclaim alleged Claimant made an illegal claim in a lien for monies owed on a margin account and breach of contract.

Unless specifically admitted in the Answer to Respondent's Counterclaim, Claimant, Southwest denied the allegations made in the Counterclaim.

RELIEF REQUESTED

Claimant, Southwest requested:

Compensatory Damages	\$645,891.46
Punitive Damages	unspecified
Attorney's Fees	unspecified
Interest	unspecified
Costs	unspecified

Respondent, Weber Investment and Weber requested:

Compensatory Damages	unspecified
Attorney's Fees	unspecified
Costs	unspecified
Interest	unspecified

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing, Respondents Weber Investment and Weber made a Motion to Dismiss. The Panel heard and considered oral argument from all counsel on the Motion. After due deliberation, the panel denied the Motion.

Respondent, Weber Investment submitted a Post Hearing Brief as requested by the Panel for consideration of attorneys' fees on June 25, 2001.

Claimant, Southwest submitted a Post Hearing Brief as requested by the Panel for consideration of attorney's fees on June 25, 2001.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and post hearing submission on attorneys' fees, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Any and relief requested by Claimant Southwest Securities, Inc. against Respondents, Weber Investment Corporation and Garry Weber for Compensatory Damages is denied; and
2. Claimant, Southwest Securities Inc. is liable for and shall pay to Respondent, Weber Investment Corporation, the sum of one dollar (\$1) in compensatory damages and fifty thousand dollars (\$50,000) in attorneys' fees. In deciding to award attorneys' fees, the panel considered the arguments of the parties, post hearing submissions containing statutory and case law, as well as the pleadings filed on their behalf and determined that authority exists for an award of attorneys' fees to Respondent.
3. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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	= \$1250
Counter 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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is Claimant, Southwest Securities Inc.

Member surcharge	= \$ 2,000
Pre-hearing Process Fee	= \$ 600
Hearing Process Fee	= \$ 3,500

Total Member Fees = \$6,100

In this matter, the Member Firm is Respondent, Weber Investment Corporation:

Member Surcharge = \$ 2,000
Pre-hearing Process Fee = \$ 600
Hearing Process Fee = \$ 3,500
Total Member Fees = \$ 6,100

Forum Fees and Assessments

The arbitrator 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 Arbitrator that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,200		= \$ 1,200
Pre-hearing conference(s):	January 19, 2001	1 session
Six (6) Hearing sessions x \$1,200		= \$ 7,200
Hearing Date(s):	May 30, 2001	2 sessions
	May 31, 2001	2 sessions
	June 1, 2001	2 sessions
<hr/> Total Forum Fees		= \$8,400

1. The Panel has assessed eighty percent (80%) of the Forum Fees to the Claimant, Southwest Securities Inc. Claimant, Southwest Securities Inc., shall pay \$6,720 in Forum Fees.
2. The Panel has assessed twenty percent (20%) of the Forum Fees to the Respondent, Weber Investment Corporation. Respondents, Weber Investment Corporation is liable for \$1,680 in Forum Fees.

Fee Summary

1. Claimant, Southwest Securities, Inc, be and hereby is solely liable for:

Forum Fees	= \$ 6,720
Claim Filing Fee	= \$ 1,250
<u>Member Fees</u>	= \$ 6,100
Total Fees	= \$ 14,070
<u>Less payments</u>	= \$ 5,050
Balance Due NASD Dispute Resolution, Inc.	= \$ 9,020

2. Respondent, Weber Investment Corporation, be and hereby is solely liable for:

Forum Fees	= \$ 1,680
Counter Claim Filing Fee	= \$ 500
<u>Member Fees</u>	= \$ 6,100

Total Fees	= \$ 8,280
<u>Less payments</u>	<u>= \$ 4,100</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,180

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Jack Raines, Esq.	-	Public, Presiding Chair
Michael Rohde, Esq.	-	Non-Public Arbitrator
Anthony Kashouty	-	Public Arbitrator

Jack Raines, Esquire
Public Arbitrator, Presiding Chair

Signature Date

Michael Rohde, Esquire
Non-Public Arbitrator, Panelist

Signature Date

Anthony Kashouty
Public Arbitrator, Panelist

Signature Date

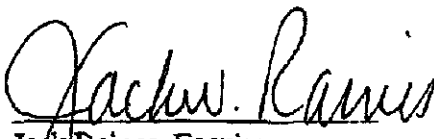
Date of Service (For NASD-Dispute Resolution office use only)

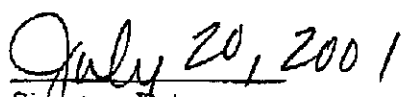
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Public Arbitrator, Presiding Chair


Signature Date

Michael Rohde, Esquire
Non-Public Arbitrator, Panelist

Signature Date

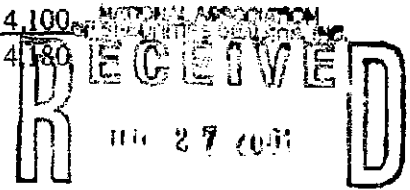
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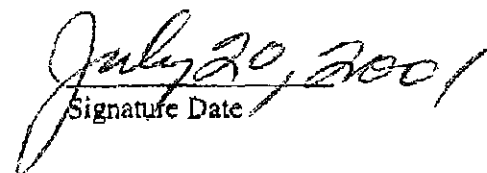
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Michael Rohde, Esq.	-	Non-Public Arbitrator
Anthony Kashouty	-	Public Arbitrator

Jack Raines, Esquire
Public Arbitrator, Presiding Chair

Signature Date

Michael E. Rohde

7-19-01

Michael Rohde, Esquire
Non-Public Arbitrator, Panelist

Signature Date

Anthony Kashouty
Public Arbitrator, Panelist

Signature Date

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