

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 00-04504

Michael Bleyzer,

Name of the Respondents

Hearing Site: Houston, Texas

Southwest Securities, Inc.,
MB Trading, Inc.,
Terra Nova Trading,

REPRESENTATION OF PARTIES

Claimant Michael Bleyzer, hereinafter referred to as "Claimant," was represented Randall C. Owens, Esq. of Golden & Owens located in Houston, Texas.

Respondent Southwest Securities, Inc., hereinafter referred to as "SWS," was represented by Will S. Montgomery, Esq. of Jenkins & Gilchrist located in Dallas, Texas.

Respondents MB Trading, Inc., hereinafter referred to as "MB Trading," and Terra Nova Trading, Inc., hereinafter referred to as "Terra Nova," were represented by Christian T. Kemnitz, Esq. of Katten, Muchin Zavis located in Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about October 13, 2000.

Claimant signed the Uniform Submission Agreement on October 4, 2000.

Respondent SWS filed the Statement of Answer on or about December 6, 2000.

Respondent SWS signed the Uniform Submission Agreement on April 18, 2000.

Respondents MB Trading and Terra Nova filed a Joint Statement of Answer on or about December 14, 2000.

Respondent MB Trading and Terra Nova signed the Uniform Submission Agreement on April 17, 2000, and April 19, 2000.

CASE SUMMARY

Claimant maintained a trading account with MB Trading that is a branch of Terra Nova. SWS is a clearing firm for MB Trading.

Claimant brought this claim to recover for losses allegedly suffered as a result of the conduct of SWS, MB Trading, and Terra Nova, hereinafter collectively referred to as "Respondents." This claim revolved around 1,000 shares of Xcelera.com ("XLA") stock that were the product of a stock dividend pursuant to a two-for-one stock split. In the Statement of Claim, Claimant asserted that he was the proper owner of the shares and Respondents wrongfully removed the 1,000 shares of XLA stock from his account.

Respondents all denied liability to Claimant in the Statements of Answer on file. Respondents claimed that Claimant did not hold the shares of XLA on the ex-dividend date for the stock split, and therefore Claimant was not entitled to the dividend shares that are the basis for this controversy. Accordingly, Respondents alleged that Claimant had no right to retain those shares and could not have reasonably relied on his ownership of them in any circumstance for any purpose. Respondents contended that because Claimant should have known that he did not own those shares, he cannot claim to have been damaged when they were inevitably removed.

Respondents MB Trading and Terra Nova further contended that, as the clearing firm responsible for this account, SWS determined the date the dividend shares would be distributed and the recipients of those shares. Respondents MB Trading and Terra Nova asserted that SWS was also responsible for actually placing those shares in the account and subsequently removing them.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

Compensatory Damages	\$270,000.00
Other Monetary Relief	\$148,000.00
Interest	Unspecified amount
Attorneys' Fees	Unspecified amount
Other Costs	Unspecified amount

In the Statements of Answer, Respondents requested that the Statement of Claim be denied in its entirety, as well as an award of attorney fees and costs.

At the hearing, the parties provided the panel with testimony concerning the specific amounts requested with respect to attorney fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent SWS requested that the panel dismiss the claims at the conclusion of Claimant's case-in-chief. This motion was denied by a unanimous decision of the panel.

Pursuant to the panel's directive, Respondent SWS shall provide the NASD with a transcribed copy of the stenographic record.

The parties 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 and the testimony and evidence presented at the hearing, the Arbitration Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim is dismissed in its entirety with prejudice;
2. The parties shall each bear their remaining costs of arbitration, including any additional attorneys' fees, except for those sums specifically enumerated in this award; and
3. Any and all relief not specifically addressed herein, including punitive damages, is denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 300.00
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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.

SWS is a party, and the following member fees are assessed:

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 650.00
Hearing process fee	= \$ 2,500.00

Terra Nova is a party, and the following member fees are assessed:

Member surcharge	= \$ 1,500.00
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Pre-hearing process fee	= \$ 650.00
Hearing process fee	= \$ 2,500.00

Postponement Fees

The panel has waived all postponement fees in this matter.

Forum Fees and Assessments

The Panel has assessed forum 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:

Two (2) Pre-hearing session(s) with Panel @ \$1,125	= \$ 2,250.00
Pre-hearing conference(s): April 24, 2001 1 session	
September 11, 2002 1 session	
One (1) Pre-hearing sessions(s) with a single arbitrator @ \$450	= \$ 450.00
Pre-hearing conference(s): November 19, 2001 1 session	
Two (2) Hearing sessions @ \$1,125	= \$ 2,250.00
Hearing Date(s): March 26, 2003 2 sessions	
Total Forum Fees	= \$ 4,950.00

The Panel has assessed ½ forum fees in the amount of \$2,475.00 to Claimant, and ½ forum fees in the amount of \$2,475.00 to Respondents, jointly and severally.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 2,475.00
Total Fees	= \$ 2,775.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 1,350.00

Respondent SWS is liable for:

Member Fees	= \$ 4,600.00
Less payments	= \$ 4,600.00
Balance Due NASD Dispute Resolution for Member Fees	= \$ 0.00

Respondent Terra Nova is liable for:

Member Fees	= \$ 4,600.00
<u>Less payments</u>	= \$ 4,600.00
Balance Due NASD Dispute Resolution for Member Fees	= \$ 0.00

Respondents Southwest Securities, Inc., MB Trading, Inc., Terra Nova Trading
are jointly and severally liable for and shall pay to the NASD forum fees in the amount of
\$2,474.00. *AK*
5 ** B*
** TD*

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule
10330(g) of the Code.

ARBITRATION PANEL

John K. Boyce, III, Esq. -Public Arbitrator, Presiding Chairperson
Theodore E. Davis - Public Arbitrator
Ruth E. Smith - Non-Public Arbitrator

Concurring Arbitrators' Signatures

John K. Boyce, III, Esq.
John K. Boyce, III, Esq.
Public Arbitrator, Presiding Chairperson

3/26/03
Signature Date

Theodore E. Davis
Theodore E. Davis
Public Arbitrator

~~Theodore E. Davis~~ Mar. 26, 03
Signature Date

Ruth E. Smith
Ruth E. Smith
Non-Public Arbitrator

3/26/03
Signature Date

3.28.03
Date of Service (For NASD Dispute Resolution use only)