

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

The Harris Assets Revocable Trust

and

01-00958
Denver, Colorado

Name of Respondent

First Southwest Company

REPRESENTATION OF PARTIES

The Harris Assets Revocable Trust ("Claimant") was represented by Robert L. Wright, Esq. of Gardere Wynne Sewell LLP. located in Dallas, Texas.

First Southwest Company ("Respondent") was represented by Cheryl Jerome Moore, Esq. of Baker & McKenzie located in Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about February 26, 2001. Submission Agreement of Claimant The Harris Assets Revocable Trust was signed on January 18, 2001.

Statement of Answer was filed by Respondent First Southwest Company on or about April 20, 2001. Submission Agreement of Respondent First Southwest Company was signed on April 18, 2001.

CASE SUMMARY

Claimant alleged that that Respondent's breached their account agreement by refusing to transfer assets of a Trust and that Respondent's converted assets from the trust.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically stated that Claimant lacked capacity to bring this action and failed to state a claim upon which relief could be granted. Respondent also stated that it exercised its right to satisfy a debit balance, consistent with the terms of the agreement at issue.

RELIEF REQUESTED

Claimant requested an award in the amount of \$320,930.00, punitive damages, attorney's fees, interest, and other costs and other monetary relief.

Respondent requested that the claims asserted against them be dismissed and denied in its entirety and that they be awarded their costs and attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

At the hearing, Respondent filed a Motion to Dismiss. Claimant asked to be allowed to respond to the Motion to Dismiss after the hearing. The panel granted the request. After reviewing the Motion to Dismiss and response, the panel hereby denies the Motion to Dismiss. At the hearing Claimant submitted a trial brief and Respondent asked to be allowed to respond to the trial brief. The panel granted the request and reviewed the trial briefs prior to issuing their final decision in this case.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

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

1. That Respondent Southwest Securities Company is liable for and shall pay Claimant The Harris Assets Revocable Trust three hundred twenty two thousand and fifty three dollars and sixty five cents (\$322,053.65) in compensatory damages and interest at 8% from January 1, 2001 until two days prior to payment of the award in full.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.

3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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 = \$300.00

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is First Southwest Company.

Member surcharge = \$1,500.00
Pre-hearing process fee = \$600.00
Hearing process fee = \$2,500.00

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 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 sessions with Panel x \$1,125.00	= \$2,250.00
Pre-hearing conference(s): July 24, 2001 1 session	
September 19, 2001 1 session	
Six (6) Hearing sessions with Panel x \$1,125.00	= \$6,625.00
Pre-hearing conferences: January 29, 2001 2 sessions	
January 30, 2001 2 sessions	
January 31, 2001 2 sessions	
Total Forum Fees	= \$8, 875.00

The Arbitration Panel has assessed \$4, 437.50 of the forum fees to The Harris Assets Revocable Trust.

The Arbitration Panel has assessed \$4, 437.50 of the forum fees to First Southwest Company.

Fee Summary

Claimant, The Harris Assets Revocable Trust, shall be and hereby is liable for:

Initial Filing Fee	= \$300.00
Member Fees	= \$ 00.00
Adjournment Fee	= \$ 00.00
<u>Forum Fees</u>	<u>= \$4,500.00</u>
Total Fees	= \$4,800.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3,375.00

Respondent, First Southwest Company, shall be and hereby is liable for:

Member Fees	= \$4,600.00
Adjournment Fee	= \$ 00.00
<u>Forum Fees</u>	<u>= \$4,500.00</u>
Total Fees	= \$9,100.00
<u>Less payments</u>	<u>= \$4,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$4,500.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Gerald Raskin – Public Arbitrator, Presiding Chair
Raymond N. Mitchell, Jr. - Non-Public Arbitrator
William Joseph Lippman - Public Arbitrator

Concurring Arbitrators:

Gerald Raskin
Public Arbitrator, Presiding Chair

Signature Date

William Joseph Lippman
Public Arbitrator

Signature Date


Raymond N. Mitchell, Jr.
Non-Public Arbitrator

Signature Date

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William Joseph Lippman - Public Arbitrator

Concurring Arbitrators:


Gerald Raskin
Public Arbitrator, Presiding Chair

3/12/02
Signature Date

William Joseph Lippman
Public Arbitrator

Signature Date

Raymond N. Mitchell, Jr.
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 01-00958
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Signature Date

William Joseph Lippman
Public Arbitrator

3/11/02
Signature Date

Raymond N. Mitchell, Jr.
Non-Public Arbitrator

Signature Date

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