

Award

In the Matter of the Arbitration Between:

Name of the Claimants

Charles E. Hill, Individually
and on behalf of Yahoo Imports, Inc.,

Case Number: 01-2350

Name of the Respondents

Southwest Securities, Inc.,
Advantages Securities, Inc., Kelly Case
and Lee Nguyen

Hearing Site: Houston, Texas

REPRESENTATION OF PARTIES

Charles E. Hill, ("Hill") Individually and on behalf of Yahoo Imports, Inc., ("Yahoo") hereinafter Collectively referred to as "Claimants": William S. Shepherd, Esq. of Shepherd, Smith and Bebel located in Houston, Texas.

Respondent Advantages Securities, Inc., ("Advantage") or Kelly Case ("Case") and Lee Nguyen ("Nguyen") : Ryan Chadwick, Esq. of Jackson Walker located in Houston, Texas.

Respondent Southwest Securities Inc. hereinafter referred to as or ("Southwest"): Will Montgomery, Esq. of Jenkins & Gilcrest located in Dallas, Texas.

CASE INFORMATION

Statement of Claim filed: April 27, 2001.

Claimants filed the Uniform Submission Agreements: April 27, 2001.

Statement of Answer filed by Respondent Southwest: August 29, 2001

Southwest filed a Uniform Submission Agreement on August 29, 2001.

Joint Statement of Answer filed by Advantage, Case and Nguyen on or about: August 30, 2001.

Advantage, case and Nguyen filed a Uniform Submission Agreement on August 30, 2001.

Respondent Southwest filed a motion to dismiss on July 19, 2001.

Claimants filed a Response to the Motion to Dismiss on September 12, 2001.

Respondents Advantage, Case and Ngyen filed a Motion to Dismiss on August 30, 2001.

Claimants filed a Response to this Motion to Dismiss on September 21, 2001.

CASE SUMMARY

Claimants asserted the following causes of action against Respondents:

1. Breach of fiduciary duty: breach of written contract and negligence;
2. Intentional wrongdoing and/or and gross negligence;
3. Failure to follow Claimant's instructions and the NASD Guidelines regarding the liquidation of positions on margin; and,
4. Failure to liquidate the positions until the accounts were almost at zero value.

4. Misrepresentation of facts upon which Claimants relied;
5. Violations of the Texas Consumer Protection and Deceptive Trade Practices Act;
6. Violations of the Federal Securities Exchange act; and
7. Violations of state securities statutes;

These causes of action relate to transactions with respect to claims common stock.

Unless specifically admitted in their Joint Statement of Answer, Advantage, Case and Nguyen denied allegations made in the Statement and asserted the following affirmative defenses:

1. Claimants failure to state a claim upon which relief may be granted;
2. Advantage acted in compliance with all applicable rules and regulations and acted in good faith;
3. Claimants' damages were not caused by Respondents;
4. Case and Nygen were not party to any contract with Claimants;
5. Claimants contributed to their own damages;
6. Claimants assumed the risks of their investments;
7. Claimants ratified all trading in their account;
8. Claimants are barred by the applicable statute of limitations and the NASD eligibility rules.

Unless specifically admitted in its Statement of Answer, Southwest denied all allegations made in the Statement of claim and asserted the following affirmative defenses:

Southwest did not owe a fiduciary duty to Claimant;

1. Southwest is not liable for fraud, breach of fiduciary duty or gross negligence because neither Advantage nor its brokers were Southwest's agents;
2. Southwest is not a controlling person;
3. State courts in California and other states similarly refuse to hold clearing firms liable for the acts of the introducing firms;
4. There is no private cause of action for a violation of the NASD, NYSE or other SRO's rules; and,
5. There is no private right of action for a violation of margin regulations.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 500,000.00-5,000,000.00
Punitive Damages	\$ unspecified
Interest	\$ unspecified
Attorneys' Fees	\$ unspecified
Other Costs	\$ unspecified

All Respondents requested that the claims filed against them be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

At the time of the hearing on the Merits the Panel denied the Respondents' Motions to Dismiss. At the conclusion of the hearing, the Panel requested Post-hearing submissions regarding the issue of attorneys' fees.

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 copies of the award while the original remains on file with NASD Dispute Resolution ("NASD").

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:

1. Claimants Charles E. Hill, Individually and on behalf of Yahoo imports, Inc., claims' against Respondent Southwest Securities, Inc., Advantages Securities, Inc., Kelly Case and Lee Case are dismissed in their entirety with prejudice;
2. Claimants Charles E. Hill, Individually and on behalf of Yahoo imports, Inc. are jointly and severally liable for and shall pay to Respondents Southwest Securities, Inc., Advantages Securities, Inc., Kelly Case and Lee Case sum of \$141,219.77 in attorneys' fees. The authority for attorneys' fees is based upon the pleadings, the evidence presented herein and Texas state and federal statutes;
3. Any and all relief not specifically addressed herein is denied; and,
4. Any and all costs not specifically enumerated herein shall be borne by the party who incurred them.

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 = \$ 600.00

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 person at the time of the events giving rise to the dispute. Accordingly, Southwest and Advantage are member firms.

Southwest:

Member surcharge	= \$ 2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 4,500.00

Advantage:

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

Forum Fees and Assessments

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

One (1) Pre-hearing sessions with the Panel @ \$1,200.00 = \$ 1,200.00
Pre-hearing conference: May 14, 2002 1 session

Four (4) Hearing sessions @ \$1,200.00 = \$ 4,800.00

Hearing Dates: December 3, 2002 2 sessions
December 4, 2002 2 sessions

Total Forum Fees = \$ 6,000.00

The Panel has assessed \$6,000.00 of the forum fees to Claimant Charles E. Hill, Individually and on behalf of Yahoo Imports, Inc.

Fee Summary

1. Claimant Charles E. Hill, Individually and on behalf of Yahoo Imports, Inc. are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 6,000.00
Total Fees	= \$ 6,600.00
Less payments	= \$ 1,575.00
Balance refunded by NASD Dispute Resolution	= \$ 5,025.00

2. Respondent Southwest is solely liable for:

Member Fees	= \$ 7,600.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 5,800.00

3. Respondents Advantages Securities, Inc., is solely liable for:

Member Fees	= \$ 7,600.00
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Less payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 7,000.00

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

ARBITRATION PANEL

Sharon Jevertt Hemphill, Esq. - Public Arbitrator, Presiding Chairperson
Walton L. Huff - Public Arbitrator
Dale A. Hearn-Non-Public Arbitrator

Concurring Arbitrators' Signatures

Sharon Jevertt Hemphill, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Walton L. Huff
Public Arbitrator

Signature Date

Dale A. Hearn
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution

Arbitration No. 01-02350

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1-29-03
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Public Arbitrator

Signature Date

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Non-Public Arbitrator

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NASD Dispute Resolution
Arbitration No. 01-02350
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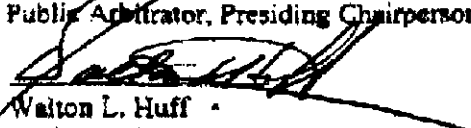
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Public Arbitrator

1/30/03
Signature Date

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NASD Dispute Resolution
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Award Page 5

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Non-Public Arbitrator

Signature Date

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Post-It® Fax Note	7671	Date	1-29-03	# of pages	1
To	AMY KESS	From	DALE HEARN		
Co./Dept.	NASD	Co.	SFA		
Phone #		Phone #	281-444-8732		
Fax #	312-235-9239	Fax #	281-444-8753		