

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Chayn Mousa

and

Case Number: 02-07096
Hearing Site: Houston, Texas

Names of Respondents

Wachovia Securities, LLC,
First Clearing Corporation,
SWS Securities, Inc., and
Roderick G. Chisholm, III

NATURE OF DISPUTE

Customer v. Member Firms and Associated Person

REPRESENTATION OF PARTIES

Chayn Mousa ("**Claimant**") was represented by Clayton C. Cannon, Esq., Stumpf, Craddock, Massey & Pulman, Houston, Texas.

Wachovia Securities, LLC ("**Wachovia**"), First Clearing Corporation ("**First Clearing Corp.**") and Roderick G. Chisholm, III ("**Chisholm**"), hereinafter collectively referred to as "Respondents," were represented by David Jarvis, Esq., Wachovia Securities, Inc., Richmond, Virginia.

SWS Securities, Inc. ("**SWS**") was represented by Will S. Montgomery, Esq., Jenkins & Gilchrist, Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about November 22, 2002. The Submission Agreement of Claimant, Chayn Mousa, was signed on or about November 13, 2002.

The Statement of Answer and Motion to Dismiss was filed by Respondent, SWS Securities, Inc., on or about January 23, 2003. The Submission Agreement of Respondent, SWS, was signed on or about December 12, 2002.

On or about February 18, 2003, Claimant filed a Response to SWS's Motion to Dismiss and a Second Amended Statement of Claim.

On or about May 1, 2003, SWS filed its Answer and Motion to Dismiss Claimant's Second Amended Statement of Claim.

On or about October 11, 2004, SWS filed its Second Motion to Dismiss. Claimant filed a Response on or about October 25, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: failure to supervise, breach of fiduciary duty, fraud and misrepresentations. The causes of action relate to the recommendation and purchase of Internet American, Inc. ("GEEK") stock. Claimant alleged that Respondents delayed in executing the sale of the GEEK stock, resulting in the sale of Claimant's shares at a lower price than requested. In addition, Claimant alleged that there were inconsistencies between Claimant's order and actual trades made in his account.

Unless specifically admitted in its Answer, Respondent, SWS, denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant's claims are barred, in whole or in part, by comparative and/or contributory negligence; Claimant is barred from recovery, in whole or in part, by Claimant's failure to mitigate his damages; and Claimant's claims are barred by the doctrines of waiver, estoppel and ratification.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 40,000.00
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent, SWS, requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrator has determined that Respondents, Wachovia Securities, LLC, First

Clearing Corporation and Roderick G. Chisholm, III, have been properly served with the Statement of Claim pursuant to Rule 10302 and Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondents, Wachovia Securities, LLC, First Clearing Corporation and Roderick G. Chisholm, III, had received due notice of the hearing as required under Rule 10315.

Respondents, Wachovia Securities, LLC, First Clearing Corporation and Roderick G. Chisholm, III, did not file with the NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") are bound by the determination of the arbitration panel on all issues submitted.

On or about February 20, 2004, Claimant settled his claims with Respondent, Wachovia Securities, Inc.

On or about March 4, 2004, Claimant dismissed Respondents, First Clearing Corp. and Roderick Chisholm with prejudice.

On or about August 30, 2004, the Arbitrator denied SWS's Motion to Dismiss without prejudice.

On or about November 1, 2004, the Arbitrator granted SWS's Second Motion to Dismiss.

The parties have agreed to receive conformed copies of the award while the original remains on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the prehearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimant's claims against SWS Securities, Inc., are dismissed with prejudice;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby 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 = \$ 175.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firms are Wachovia Securities, LLC., First Clearing Corporation and SWS Securities, Inc.

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,000.00

Adjournment Fees

Adjournments granted during these proceedings:

March 11-12, 2003, adjournment requested by Claimant = \$ 450.00
(waived by the Arbitrator)

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, 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 Arbitrator x \$ 450.00	= \$ 450.00
Pre-hearing conference: June 6, 2003 1 session	

Total Forum Fees = \$ 450.00

The Arbitrator has assessed \$150.00 of the forum fees to Chayn Mousa.

The Arbitrator has assessed \$150.00 of the forum fees jointly and severally to Wachovia Securities, LLC, First Clearing Corporation and Roderick G. Chisholm, III.

The Arbitrator has assessed \$150.00 of the forum fees to SWS Securities, Inc.

FEE SUMMARY

Claimant, Chayn Mousa, is liable for:

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 150.00
Total Fees	= \$ 325.00
Less payments	= \$ 1,425.00
Refund Due to Claimant	= \$ 1,100.00

Respondent, Wachovia Securities, LLC, is liable for:

Member Fees	= \$ 2,625.00
Total Fees	= \$ 2,625.00
Less payments	= \$ 2,625.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, First Clearing Corporation, is liable for:

Member Fees	= \$ 2,625.00
Total Fees	= \$ 2,625.00
Less payments	= \$ 2,625.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, SWS Securities, Inc., is liable for:

Member Fees	= \$ 2,625.00
Forum Fees	= \$ 150.00
Total Fees	= \$ 2,775.00
Less payments	= \$ 1,750.00
Balance Due NASD Dispute Resolution	= \$ 1,025.00

Respondents, Wachovia Securities, LLC, First Clearing Corporation, SWS Securities, Inc. and Roderick G. Chisholm, III, are jointly and severally liable for:

Forum Fees	= \$ 150.00
Total Fees	= \$ 150.00
Less payments	= \$ 1000.00
Refund Due to Wachovia Securities, Inc.	= \$ 850.00

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

ARBITRATOR

James A. Parker - Public Arbitrator, Presiding Chair

Arbitrator:

/s/ James A. Parker
James A. Parker
Public Arbitrator, Presiding Chair

November 3, 2004
Signature Date

November 3, 2004
Date of Service (For NASD office use only)

Date of Service (For NASD office use only)