

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

French Needle Design Corp., Claimant

Case Number: 03-02444

vs.

Austin Securities, Inc. and Southwest Securities, Inc., Respondents

Hearing Site: New York, NY

REPRESENTATION OF PARTIES

Claimant, French Needle Design Corp., hereinafter referred to as "Claimant": David Schiller, French Needle Design Corp., Forest Hills, New York.

Respondents, Austin Securities, Inc. and Southwest Securities, Inc., hereinafter collectively referred to as "Respondents": Barry Smith, Esq., Creditor & Digrugilliers, LLP., Forest Hills, New York.

CASE INFORMATION

Statement of Claim filed on or about: April 3, 2003.

Claimant signed the Uniform Submission Agreement: March 31, 2003.

Statement of Answer filed by Respondents on or about: May 30, 2003.

Respondent, Austin Securities, Inc., signed the Uniform Submission Agreement: May 29, 2003.

Respondent, Southwest Securities, Inc., signed the Uniform Submission Agreement: May 28, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: fraud, breach of fiduciary duty and manipulation. Claimant's claims involve U.S. Government Bonds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested \$1,350.00 in compensatory damages; \$1,000.00 in punitive damages; interest from the settlement date; and attorney fees and expenses if he retained counsel.

Respondents requested that Claimant's claims be dismissed in their entirety; that the Arbitrator award them \$1,000.00 in attorney's fees; that Respondent Southwest Securities, Inc. be dismissed as a party to the claim; and for such other relief that the Arbitrator finds appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

At the Initial Pre-hearing Conference held on September 25, 2003, both the Claimant and Respondents waived their right to a hearing and consented to the Arbitrator issuing an Award based on the parties' pleadings and oral arguments presented during the telephonic Initial Pre-hearing Conference.

At the Initial Pre-hearing Conference, Claimant made a Motion to Preclude Respondents' Answer. The Arbitrator denied said Motion.

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.

AWARD

After considering the pleadings, the testimony and evidence presented at the Initial Pre-hearing Conference, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are dismissed in their entirety.
2. Any and all relief not specifically addressed herein is denied.

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	= \$ 25.00
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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 that employed the associated person at the time of the event giving rise to the dispute. Accordingly, both Austin Securities, Inc. and Southwest Securities, Inc. are parties.

Member surcharge = \$150.00

Forum Fees and Assessments

The Arbitrator has assessed forum fees for each session conducted. A 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 a single arbitrator @ \$50.00 = \$ 50.00
Pre-hearing conference: September 25, 2003 1 session
Total Forum Fees = \$ 50.00

1. The Arbitrator has assessed all of the forum fees against the Claimant.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 25.00
Forum Fees = \$ 50.00
Total Fees = \$ 75.00
Less payments = \$ 75.00
Balance Due NASD Dispute Resolution = \$ 0.00

3. Respondent, Austin Securities Inc., is solely liable for:

Member Fees = \$150.00
Total Fees = \$150.00
Less payments = \$150.00
Balance Due NASD Dispute Resolution = \$ 0.00

4. Respondent, Southwest Securities, Inc., is solely liable for:

Member Fees = \$150.00
Total Fees = \$150.00
Less Payments = \$150.00
Balance Due NASD Dispute Resolution = \$ 0.00

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

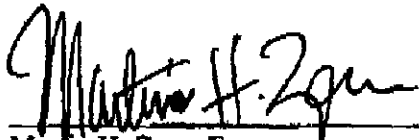
ARBITRATION PANEL

Martin H. Zern, Esq.

Public Arbitrator, Presiding Chair

Concurring Arbitrator's Signature

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Martin H. Zern, Esq.
Public Arbitrator, Presiding Chairperson

10/15/03

Signature Date

10/10/03

Date of Service (For NASD Dispute Resolution use only)