

**PACIFIC EXCHANGE, INC.  
115 Sansome Street  
San Francisco, CA 94104**

**In The Matter Of The Arbitration Between:**

**Bob E. Cummins,**

**Claimant,**

**v.**

**Southwest Securities, Inc.  
and Christopher Tynes,**

**Respondents.**

**PCX CASE #: 04-S006**

**DECISION**

The undersigned Arbitrators, having read and considered the Claim submitted by Claimant and the Answer of Respondents, and having considered evidence presented at the hearings on November 8 - 10, 2005, hereby render the following Decision pursuant to Rule 12 of the Pacific Exchange:

**REPRESENTATION OF PARTIES**

**Of Claimant:**

**Irwin G. Stein  
Law Office of Timothy A. Canning.**

**Of Respondents:**

**Will S. Montgomery, Esq.  
Jenkins & Gilchrist**

**HISTORY OF CASE**

**Statement of Claim filed:  
Statement of Answer filed:**

**March 30, 2004  
May 19, 2004**

**Prehearing Conferences:**

**December 6, 2004  
December 13, 2004  
May 18, 2005  
June 28, 2005  
October 21, 2005**

**Hearing Dates:**

**November 8 - 10, 2005**

### SUMMARY OF CASE

Claimant asserted causes of action against Respondents for trading without authorization, fraud, negligence, breach of contract and breach of fiduciary duty. Claimant further alleged misrepresentation, unsuitability and failure to supervise.

Respondents denied the Claimant's allegations.

### RELIEF REQUESTED

Claimant requested damages in the approximate amount of \$1,114,895.00, as well as reimbursement for costs. Claimant also requested that the arbitration panel make a referral for a disciplinary investigation of Respondent Christopher Tynes.

Respondents requested that Claimant's claims be denied. Respondents requested reimbursement for the costs of their defense, including attorneys fees. Respondents further requested that the arbitration panel recommend that this matter be expunged from Christopher Tynes' CRD record.

### FINDINGS AND DECISION

After considering the argument and evidence of both the Claimant and Respondents in this matter, the undersigned Arbitrators make the final determination and decision of the issues presented, as set forth below:

#### A. Decision

1. All forum costs are assessed against Respondents, jointly and severally. Respondents shall also reimburse Claimant for his \$250.00 filing fee and \$1,000.00 hearing session deposit.
2. All other claims, including but not limited to all claims for monetary damages, costs and attorney fees, are denied.
3. As to Respondent Tynes, Claimant's request for a disciplinary referral and Respondents' request for a recommendation for the expungement of Mr. Tynes' CRD record are both denied.

#### B. Other Determinations

1. Respondent shall reimburse Claimant's non-refundable filing fee: ☒ YES ☐ NO
2. Respondent shall reimburse Claimant's hearing session deposit: ☒ YES ☐ NO

3. Parties shall bear their own costs of arbitration:

☒ YES ☐ NO

4. Should this matter be referred to any regulatory organization (SRC or SEC) for disciplinary investigation of rule violations or violation federal securities laws?

☐ YES ☒ NO

C. Forum Fees

3 prehearing conferences (Whole Panel)	X	\$1,000=	\$3,000
2 prehearing conferences (Chair Only)	X	\$ 300=	\$ 600
6 hearing sessions (Whole Panel)	X	\$1,000=	\$6,000

Total Forum Fees = \$9,600

Forum fees, in the amount of \$9,600.00, are assigned wholly against Respondents, jointly and severally.

Dated: 11/10/05

Stefan Frost  
Stefan Frost, Chair

Dated: \_\_\_\_\_

\_\_\_\_\_  
Robert Whalen, Jr., Public Arbitrator

Dated: 11/18/05

Robert Fisher  
Robert Fisher, Industry Arbitrator

3. Parties shall bear their own costs of arbitration:

☒ YES ☐ NO

4. Should this matter be referred to any regulatory organization (SRO or SEC) for disciplinary investigation of rule violations or violation federal securities laws?

☐ YES ☒ NO

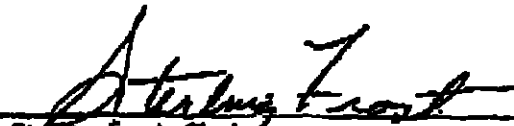
C. Forum Fees

3 prehearing conferences (Whole Panel)	X	\$1,000=	\$3,000
2 prehearing conferences (Chair Only)	X	\$ 300=	\$ 600
5 hearing sessions (Whole Panel)	X	\$1,000=	\$5,000


Total Forum Fees = \$9,600

Forum fees, in the amount of \$9,600.00, are assigned wholly against Respondents, jointly and severally.

Dated: 11/16/05

  
Sterling Frost, Chair

Dated: 11/21/05

  
Robert Whalen, Jr., Public Arbitrator

Dated: \_\_\_\_\_

\_\_\_\_\_  
Robert Fisher, Industry Arbitrator