

National Association of
Securities Dealers, Inc.
Suite 1680
Three First National Plaza
Chicago, IL 60602
(312) 899-4440

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

The Northern Trust Company

89-02595

Name of Respondent

Mortgage Government Securities Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about September 18, 1989, The Northern Trust Company ("Claimant") alleged that Mortgage Government Securities, Inc. ("Respondent") breached its agreement to sell the Claimant 5.2 million dollars of original face amount Federal Home Loan Mortgage Corporation bonds. The Respondent alleged that any such agreement was induced by the false representations of the Claimant's agents. Respondent counterclaimed alleging that Claimant was liable to it for violation of the Texas Business and Commerce Code, the Texas Securities Act, and the Securities and Exchange Act of 1934.

RELIEF REQUESTED

Claimant damages in the amount of \$57,251.23, plus interest, cost, attorneys' fees, and dismissal of the counterclaim. The Respondent requested dismissal of the claim, plus an award of attorneys' fees and costs.

Arbitration

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AWARD

1990

On November 15, 1989 in Chicago, Illinois during a hearing lasting a total of three sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on August 22, 1989 by David Nickel on behalf of the Claimant and on November 20, 1989 by Stan E. Golub on behalf of Respondent.

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.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. The Respondent is liable for and shall pay to the Claimant Forty Six Thousand Five Hundred Dollars and no cents (\$46,500).

2. The counterclaim asserted by the Respondent against the Claimant is hereby dismissed.

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the hearing session and claim filing fee deposit in the amount of \$500.00 previously deposited with the NASD by the Claimant and the Claimant shall pay an additional \$325.00 to the NASD as forum fees. The Respondent shall pay to the NASD \$825.00 as forum fees.

By the panel

Dated: 12-20-90

/S/

James F. McGrath
James F. McGrath
Presiding Chair

Dated: _____

/S/

Richard S. Bakka
Richard S. Bakka

Dated: _____

/S/

Robert T. Podraza
Robert T. Podraza
Industry Arbitrator

Arbitration

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By the panel

Dated: _____ /S/ _____
James F. McGrath
Presiding Chair

Dated: December 26, 1990 /S/ [Signature]
Richard S. Bakka

Dated: _____ /S/ _____
Robert T. Podraza
Industry Arbitrator

Arbitration

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By the panel

Dated: _____ /S/ _____
James F. McGrath
Presiding Chair

Dated: _____ /S/ _____
Richard S. Bakka

Dated: 12-27-90 /S/ Robert T. Podreza
Robert T. Podreza
Industry Arbitrator

