

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

U.A. Garred Sexton and
Willie Steele Browning Bullock,
Trustee of Willie Steele
Browning Bullock Trust Dated 6/19/84

vs.

90-03477

Name of Respondent(s)

Gene Morgan Financial
Gene Morgan

REPRESENTATION

For Claimants: Claimants appeared in pro per.

For Respondents: Arthur F. Salander, Esq., Godwin, Carlton & Maxwell,
Dallas, Texas.

CASE INFORMATION

Statement of Claim filed: December 12, 1990.

Submission Agreement signed by Claimant U.A. Garred Sexton: November 27, 1990
Submission Agreement signed by Claimant Willie Steele Browning Bullock:
January 11, 1991

Joint Statement of Answer filed by Respondents: June 11, 1991

Respondents' Submission Agreement signed: June 5, 1991.

HEARING INFORMATION

Hearing Date/Session: January 23, 1992 - 2 sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged fraud, in that their investments in certain common stocks and a participating note in a limited partnership were made based on disclosures in prospectuses and disclosures made personally by Respondent Gene Morgan. Claimants alleged Respondents failed to disclose Gene Morgan's lack of management experience.

Page 1 of 2

Respondents denied allegations of wrong-doing, and asserted that the claims asserted pertain to matters not associated with Respondents activities as securities brokers.

RELIEF REQUESTED

Claimants requested damages of \$124,914 plus punitive damages.

Respondents requested dismissal of all claims.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, and the arguments made both for and against Respondents Motion to Dismiss, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents' Motion to Dismiss is granted.
2. The parties shall each bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall refund the \$750 hearing session deposit made by the Claimants. No forum fees are assessed.

ARBITRATION PANEL

<u>Name</u>	<u>Public/Industry</u>
George M. Wiener	Public
Samuel S. Dulberg	Public
Donna M. Hostetler	Industry

Concurring Arbitrator's Signature

Samuel S. Dulberg

DATE SERVED: 02/10/92

Date of Decision: 2-3-92