

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

George R. & Delores M. Culp

No. 91-03721

Name of Respondents

Quinn/Southwest, a division of  
Southwest Securities, Inc., and  
Robert R. Harrison

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REPRESENTATION OF PARTIES

For Claimants: James R. Compton, Esq., Albuquerque, New Mexico.

For Respondents: Jerome S. Wade, Esq., Vice President & General  
Counsel, Southwest Securities, Inc., Dallas, Texas.

CASE INFORMATION

Statement of Claim filed: November 25, 1991.

Claimants' Submission Agreement signed on: November 19, 1991.

Joint Statement of Answer filed by Respondents, Quinn/Southwest,  
a division of Southwest Securities, Inc. and Robert R. Harrison  
on: February 28, 1992.

Respondent, Quinn/Southwest, a division of Southwest Securities,  
Inc.'s Submission Agreement signed on: February 21, 1992.

Respondent, Robert R. Harrison's Submission Agreement signed on:  
February 13, 1992.

HEARING INFORMATION

Hearing date: September 2, 1992. One (1) session.

Hearing Location: Albuquerque, New Mexico.

#### CASE SUMMARY

Claimants, George R. & Delores M. Culp ("Claimants") alleged a violation of Section 2, Article III of the NASD Rules of Fair Practice by Respondents Quinn/Southwest, a division of Southwest Securities, Inc. ("Southwest") and Robert R. Harrison ("Harrison"). The allegation arose out of transactions in American Bionetics, Inc. stock. Claimants alleged that Harrison had disregarded information which he knew about the Claimants' ages and prior conservative investment history. Claimants further alleged that Harrison told them very little about American Bionetics, Inc., and did not provide them with any written material until July of 1990. Claimants' last purchase of the American Bionetics, Inc. stock had been in April of 1990.

For their Joint Statement of Answer, Southwest and Harrison denied that they had violated any rules of the NASD concerning any transactions with the Claimants. Southwest and Harrison alleged that Harrison had investigated the suitability of the securities he sold to the Claimants. Southwest and Harrison also asserted that the Claimants had represented themselves to him as investors who possessed a history of investing, with an ability to understand the nature of conservative and aggressive investments, as well as investors who were financially able to assume higher degrees of risk.

#### RELIEF REQUESTED

Claimants requested \$12,930.43 plus interest and attorneys' fees and costs for filing this arbitration.

Southwest and Harrison requested that the Claimants be denied any recovery of their losses in the American Bionetics stock. Southwest and Harrison further requested as a counterclaim against Claimants, an award of their costs and expenses for defense of this claim.

#### OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed by a counterpart copy 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 remains on file with the NASD.

AWARD

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

1. Respondent Quinn/Southwest, a Division of Southwest Securities, Inc. is liable for, and shall pay to Claimants, George R. & Dolores M. Culp, the sum of \$10,941.84 as satisfaction for their claims herein.

OTHER COSTS

2. Respondent Quinn/Southwest, a division of Southwest Securities, Inc. is liable for, and shall pay to Claimants, George R. & Dolores M. Culp, the sum of \$400.00 as reimbursement for their hearing session deposit for this arbitration.

FORUM FEES

Pursuant to Section 43 (c) of the NASD Code of Arbitration Procedure, the following forum fees are assessed:

1 hearing sessions X \$400.00 = \$400.00

Pursuant to Section 43 (c) of the Code of Arbitration, the NASD shall retain the nonrefundable filing fee in the amount of \$100.00, and shall retain the hearing session deposit in the amount of \$400.00 previously paid to the NASD by the Claimant.

Dated:

September 22, 1992

/s/ Lee R. Dye  
Lee R. Dye  
Presiding Chair  
Public Arbitrator

Date of service by the NASD:

September 25, 1992