

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Richard L. Hawley

and

92-00098

Name of Respondents

Southwest Securities, Inc.
Alphonso Ragland

REPRESENTATION OF PARTIES

Claimant Richard L. Hawley was represented by Coyt Randal Johnston, Esq. of Johnston & Budner, Dallas, Texas.

Respondents Southwest Securities, Inc. Alphonso Ragland were represented by Robert Wright, Esq. of Gardere & Wynne, Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about January 10, 1992. Richard L. Hawley's Submission Agreement was signed on December 20, 1991.

Statement of Answer was filed by Respondents Southwest Securities, Inc. ~~Alphonso~~ Ragland on or about February 13, 1992. Submission Agreement of Respondent Southwest Securities, Inc. was signed on February 5, 1992 by Jerome S. Wade. Submission Agreement of Respondent Alphonso Ragland was signed on February 5, 1992.

HEARING INFORMATION

The hearing was held on Tuesday, January 19, 1993 for three (3) sessions and Wednesday, January 20, 1993 for two (2) sessions in Dallas, Texas for a total of five (5) sessions.

CASE SUMMARY

Claimant alleged that Respondents Southwest Securities, Inc. (Southwest") and

Alphonso Ragland ("Ragland")(collectively as "Respondents") through Ragland committed fraudulent and manipulative acts while holding the account of the Claimant, including but not limited to the following: directing and effecting trades in unsuitable securities and commodities, misrepresenting and omitting to state material facts about the accounts and investments in the accounts, misrepresenting the quality and mix of securities and commodities purchased, and that Southwest failed to supervise and direct its agent Ragland adequately.

Respondents denied that Alphonso Ragland committed any fraudulent and manipulative acts while holding the Claimant's accounts or that they or either of them violated any federal and state securities laws and regulations, violated rules and regulations of the NASD and securities exchanges, breached any fiduciary or other duties or breached any contracts. Respondent Southwest Securities, Inc. denied that it failed to supervise Mr. Ragland and affirmatively stated that Mr. Ragland, at all times, acted responsibly in connection with the claimant's account.

RELIEF REQUESTED

Claimant requested an award of actual damages in the amount of at least \$138,000.00 together with pre-award interest as allowed by law, punitive damages in an amount the panel deems just and equitable, costs, attorney's fees, expenses, post award interest on all sums awarded as allowed by law, and such other relief as the panel deems just and proper.

Respondents requested that the claims asserted against them be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

The parties agreed to waive the recording of preliminary matters consisting of the opening of the hearing pursuant to Section 37 of the NASD Code of Arbitration Procedure. All substantive matters in this hearing were properly recorded including but not limited to Opening statements of counsel, all testimony, and closing.

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.

AWARD

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

1. Respondents Southwest Securities, Inc. and Alfonso Ragland shall be and hereby are jointly and severally liable for and shall pay to the Claimant the sum of \$90,000.00 (ninety thousand dollars).
2. Each party shall bear its own costs, expenses and attorney's fees incurred in this matter not specifically enumerated herein.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$250.00 and shall retain as forum fees the hearing session deposit in the amount of \$750.00 previously deposited with the NASD by the Claimant. The NASD shall retain the \$750.00 previously deposited by Respondent Southwest Securities, Inc. as forum fees and Respondents Southwest Securities, Inc. and Alfonso Ragland shall be and hereby are jointly and severally liable for and shall pay to the NASD the sum of \$2,250.00 as forum fees. Respondents shall pay to the Claimant Richard L. Hawley the sum of \$750.00 as reimbursement of the hearing session deposit. The NASD shall refund the \$300.00 previously deposited by the Claimant Richard L. Hawley.

Forum fees are calculated at the rate of \$750.00 per hearing session and \$300.00 for each prehearing conference, if any. The \$750.00 postponement fee previously deposited by Respondent Southwest Securities, Inc. shall be retained by the NASD. Fees are payable to the National Association of Securities Dealers, Inc.

Dated:

s/ Marc A. Myrin, Esq.
Marc A. Myrin, Esq.
Public Arbitrator, Presiding Chair

February 3, 1993

s/ Winston C. Fournier
Winston C. Fournier
Public Arbitrator

February 1, 1993

s/ R. Dan Mitchell
R. Dan Mitchell
Industry Arbitrator

February 2, 1993