

1-12

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Jackie Hightchew

and

92-03449

Name of Respondents

Cullom & Sandow, Inc. and
Richard Wells

REPRESENTATION OF PARTIES

Jackie Hightchew ("Claimant") was represented by Don T. Cates, Esq., Forney, Texas.

Cullom & Sandow, Inc. and Richard Wells ("Respondents") were represented by Ben L. Krage, Esq. of Kasmir & Krage, L.L.P., Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about October 12, 1992. Submission Agreement of Claimant was signed on October 5, 1992.

Statement of Answer was filed by Respondents on or about June 1, 1993. Submission Agreement of Respondent Cullom & Sandow was signed on May 18, 1993 by Richard L. Sandow. Submission Agreement of Respondent Richard Wells was signed on May 19, 1993.

HEARING INFORMATION

The hearing was held on Tuesday, October 19, 1993 in Dallas, Texas for a total of two (2) sessions.

CASE SUMMARY

Claimant alleged that she placed \$61,778.65 in an account at Cullom & Sandow, Inc. of which \$10,000.00 was to be used for speculative purposes with the remainder to be placed in a money market account. Claimant stated that Respondent Wells had been using money from the money market account to purchase S & P 100 options without her authorization. Claimant further alleged that she had not been credited with stock splits from her shares of Telefonos de Mexico stock.

Respondents stated that the Claimant was a sophisticated and experienced investor from a wealthy family. Respondents further stated that the trades in the account were specifically authorized by Claimant. Respondents also stated that the securities held in her account were transferred to another brokerage firm pursuant to her instructions.

RELIEF REQUESTED

Claimant requested an award of damages as follows:

\$50,778.65, the value of the original money market account,
Interest at the rate of at least 6% from August 1, 1991,
\$30,000.00 for breach of contract,
\$30,000.00 for breach of fiduciary relationship,
Punitive damages in not less than double the amount of actual
damages, and
Attorney's fees in not less than the amount of \$7,500.00.

Respondents requested that the claims be denied and that they be awarded their reasonable attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

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 N.A.S.D..

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. The claims asserted in this matter shall be and hereby are dismissed in their entirety.
2. Each party shall bear its own costs, expenses and attorney's fees incurred in this matter not specifically enumerated herein.

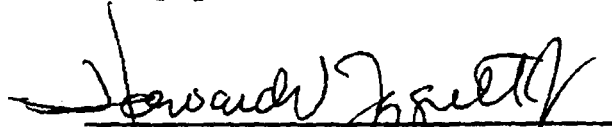
FORUM FEES

Pursuant to §43(c) of the N.A.S.D. Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("N.A.S.D.") shall retain the non-refundable filing fee in the amount of \$200.00 and shall retain as forum fees the hearing session deposit in the

N.A.S.D. Arbitration No. 92-03449
Award Page 3 of 3

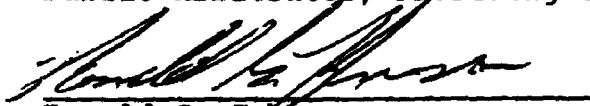
amount of \$750.00 previously deposited with the N.A.S.D. by the Claimant. Respondent Cullom & Sandow, Inc. shall pay to the N.A.S.D. the sum of \$750.00 as forum fees.

Forum fees are calculated at the rate of \$750.00 per hearing session and \$300.00 for each prehearing conference, if any. Fees are payable to the National Association of Securities Dealers, Inc.


Howard V. Tygrett, Jr., Esq.
Public Arbitrator, Presiding Chair

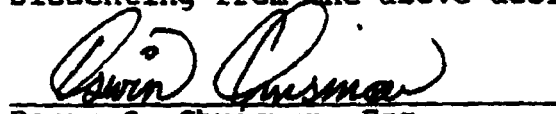
Dated:

Oct. 20, 1993


Ronald G. Johnson
Industry Arbitrator

Oct 20, 1993

Dissenting from the above decision.


Perry O. Chrisman, Esq.
Public Arbitrator

Oct. 20, 1993