

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant

Southwest Securities, Inc.

NASD Arbitration
No.92-03861

Name of Respondents

Investment Technology Corporation International
Amir J. Jaami

REPRESENTATION

For Claimant: Jerome S. Wade, Esq., Southwest Securities, Inc., Dallas Texas, and
Michael D. Donahue, Esq., Donahue & Wells, Los Angeles, California

For Respondents: Audwin Carey Spence, Esq., Inglewood, California

CASE INFORMATION

Statement of Claim filed: November 16, 1992

Claimant's Submission Agreement signed: October 2, 1992

Joint Statement of Answer and Counterclaim filed: February 9, 1993

Respondents' Submission Agreements signed:

Investment Technology: February 8, 1993

Amir Jaami: None submitted; however, Mr. Jaami filed responsive
pleadings and appeared at the hearing, and the panel
asserted jurisdiction over him in this matter.

Answer to Counterclaim filed: October 22, 1993

HEARING INFORMATION

Pre-hearing telephone conference dates / sessions:

January 4, 1994 - One session

February 7, 1994 - One session

Hearing dates / sessions:

February 10, 1994 - Two sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged breach of the Clearing agreement between the parties arising out of Respondents' refusal and failure to reimburse Claimant for debit balances in the accounts of three of Respondents' customers for which Claimant acted as clearing broker. Claimant also alleged fraud, negligence against both Respondents as well as breach of the written guarantee made by Respondent Jaami personally.

Respondents denied the allegations, and asserted that if Claimant had disclosed that telephone calls were not tape recorded they would not have entered into the Clearing Agreement. Respondents asserted that the debit balances in the client accounts were caused by Claimant's error in entering the trades, and thus Respondents are not liable for the debit balances. Respondents asserted a counterclaim for return of their deposit and commissions withheld by Claimant.

Claimant responded that it was holding the deposit and commissions of Respondents as partial payment and as a setoff against the amounts owed by Respondents.

RELIEF REQUESTED

Claimant requested damages of \$147,304.72 including interest and costs of collection. Claimant also requested dismissal of the counterclaim.

Respondents requested dismissal of all claims and an award of \$18,272.37 on the counterclaim.

OTHER ISSUES CONSIDERED AND 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 remains 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 are jointly and severally liable for and shall pay to Claimant the sum of \$147,304.72.
2. The counterclaim is dismissed.

FORUM FEES

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the NASD shall retain the \$500 non-refundable filing fee deposited by Claimant. In addition, Respondents are jointly and severally assessed \$500 as the non-refundable filing fee for their counterclaim. Forum fees are assessed as follows:

Total fees:

2 Pre-hearing telephone conferences @ \$300 / session	=	\$600.00
<u>2 Hearing sessions @ \$750 / session</u>	=	<u>\$1,500.00</u>
Total fees	=	<u>\$2,100.00</u>
 Claimant's one-half share	=	\$1,050.00
<u>Credit for hearing sessions deposit</u>	=	<u>\$750.00</u>
Balance due	=	<u>\$300.00</u>
 Respondents' (joint and several) one-half share	=	\$1,050.00
<u>Filing fee</u>	=	<u>\$500.00</u>
Balance due	=	<u>\$1,550.00</u>

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Thomas J. Doyle	Industry Chairperson
Robert B. Dunlap	Industry Panelist
Richard M. Leigh	Industry Panelist

Concurring Arbitrators' Signatures

Robert B. Dunlap
