

## **NASD AWARD**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between

Name of Claimant

Nubia International Corporation

and

94-00759

Name of Respondent

Inverworld Securities, Ltd.

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### **REPRESENTATION OF PARTIES**

Nubia International Corporation ("Claimant") was represented by Reese L. Harrison, Jr., Esq., Oppenheimer, Blend, Harrison & Tate, San Antonio, TX.

Inverworld Securities, Ltd. ("Respondent") was represented by Edward S. Koppman, Esq., Akin, Gump, Strauss, Hayer & Feld, L.L.P., Dallas, TX.

### **CASE INFORMATION**

The Statement of Claim was filed on or about March 1, 1994. Amended Statement of Claim was filed on or about April 4, 1995. Submission Agreement of Claimant Nubia International Corporation was signed on February 11, 1994 by Jesus Fernandez Sanchez.

Statement of Answer was filed by Respondent Inverworld Securities, Ltd. on or about August 5, 1994. Submission Agreement of Respondent Inverworld Securities, Ltd. was signed on August 4, 1994 by George F. Fahey.

### **HEARING INFORMATION**

The hearing was held on Thursday, April 27, 1995 in Dallas, Texas for a total of two (2) sessions.

### **CASE SUMMARY**

Claimant alleged that 30,000 Cementos Mexicanos S.A. de C.V. ("Cemex") warrants were sold without the proper authorization. Specifically, Claimant alleged that the parties had established a pattern of trading which consisted of informing Respondent through Mike Wiggins that securities

could be traded at a certain price and an approximate quantity would be stated, when the price had been reached Mr. Wiggins would call Claimant, confirm the price and the specific number of shares and then execute the trade. Claimant specifically alleged that this practice was not followed for this transaction.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically stated that this transaction was executed through a power of attorney and investment management agreement. Respondent stated that notwithstanding the existence of discretionary authorization, the sales of Cemex warrants involved in this proceeding were expressly authorized by Claimant through Jesus Fernandez in conversations with Mr. Wiggins prior to execution.

### **RELIEF REQUESTED**

Claimant requested an award in the amount of \$44,709.87. In its' original Statement of Claim, Claimant requested an award in the amount of \$555,000.

Respondent requested that the claims asserted against it be denied in their entirety.

### **OTHER ISSUES CONSIDERED & DECIDED**

Prior to the commencement of the hearing of this matter, the claims asserted against Bear, Stearns & Co., Inc. were dismissed by agreement of the parties.

The parties have agreed that a handwritten, signed Award may be entered. 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. The undersigned arbitrators find for the Respondent, therefore, Claimant shall take nothing.
2. Each party shall bear its own costs, expenses and attorneys' fees incurred in this matter not specifically enumerated herein.

### **FORUM FEES**

Forum fees are calculated at the rate of \$1,000 per hearing session and \$300 for each prehearing conference, if any. There were two (2) sessions x \$1,000 = \$2,000 in forum fees. Pursuant to §43(b)

a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §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 and shall **retain** as forum fees the hearing session deposit in the amount of \$1,000 previously deposited with the NASD by the Claimant Nubia International Corporation. Respondent Inverworld Securities, Ltd. shall be and hereby is liable for and shall pay to the NASD the sum of \$1,000 as the balance due for forum fees. Pursuant to §45 of the NASD Code of Arbitration Procedure, the NASD shall retain the surcharge in the amount of \$200 previously deposited with the NASD by Respondent Inverworld Securities, Ltd. **Fees are payable to the National Association of Securities Dealers, Inc.**

Dated:

/s/ Russell E. Rains, Esq.

Russell E. Rains, Esq.

Public Arbitrator, Presiding Chair

May 31, 1995

/s/ Charles P. Aberg, Esq.

Charles P. Aberg, Esq.

Public Arbitrator

May 16, 1995

/s/ Joan Stearns-Johnsen, Esq.

Joan Stearns-Johnsen, Esq.

Industry Arbitrator

May 26, 1995