

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Alex. Brown & Sons Incorporated

NASD Arbitration
No. 94-01715

Name of Respondent(s)

Cantor Fitzgerald Partners

REPRESENTATION

For Claimant: Nancy Palmer, Esq., Alex. Brown & Sons Incorporated,
Baltimore, Maryland

For Respondent: Edward J. Boyle, Esq., Wilson, Elser, Moskowitz,
Edelman & Dicker, New York, New York

CASE INFORMATION

Statement of Claim filed: May 6, 1994

Claimant's Response to Objection to Jurisdiction filed: August 12,
1994

Claimant's Submission Agreement signed: May 6, 1994

Statement of Answer and Objection to Jurisdiction filed by
Respondent: July 1, 1994

Respondent's Reply to Claimant's Response to Objection to
Jurisdiction filed: August 18, 1994

Respondent's Submission Agreement signed: July 1, 1994

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): May 11, 1995 (two sessions)

May 12, 1995 (one session)

Hearing Location:

San Francisco, California

CASE SUMMARY

Claimant alleged that it is entitled to \$190,251.00 (plus interest, costs and attorney's fees) as damages resulting from Respondent's wrongful refusal to accept delivery of and make payment for \$2,000,000 University of Southern California Revenue Bonds 9.35%, due October 1, 2000, (Cusip No. 914885AB4) (the Bonds), which Respondent had purchased from Claimant on April 16, 1993 for settlement on April 23, 1993. Claimant further alleged that Respondent's refusal to honor its trading commitment constitutes a breach of contract and a violation of Section I of Article III of the National Association of Securities Dealers, Inc.'s (NASD) Rules of Fair Practice which requires that a member observe high standards of commercial honor and just and equitable principles of trade.

Respondent denied any responsibility for the failure of the transactions in dispute and alleged that any award to Claimant must be reduced given Claimant's failure to mitigate its alleged damages, including Claimant's rejection of Respondent's offer to assist Claimant in obtaining a purchaser of the Bonds at a price significantly higher than Claimant finally obtained.

RELIEF REQUESTED

Claimant requested that judgment be entered in its favor in the amount of \$190,256.11 plus interest, costs and attorney's fees.

Respondent requested dismissal of Claimant's claims plus costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On October 28, 1994, the Director of Arbitration reviewed and considered the positions of the parties relative to Respondent's Motion to Dismiss for lack of jurisdiction. The Director denied the Motion.

Prior to and at the outset of the evidentiary hearing, the

panel of arbitrators reviewed and considered the positions of the parties relative to Respondent's request to file an Amended Answer and commence a third-party proceeding against LaSalle National Bank. The panel denied Respondent's request.

The parties have agreed that the Award in this matter may be executed in either 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 originals remain on file with the NASD.

AWARD

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

1. Respondent's post-hearing motions of May 17, 1995 and Claimant's post-hearing motions of May 18, 1995, relative to Respondent's request that the panel defer any decision in this matter pending a hearing on a dispute between Respondent and LaSalle National Bank, are denied.

2. Respondent is liable for and shall pay to Claimant the sum of \$230,698.25, inclusive of interest.

3. The parties shall each bear their respective costs including attorney's fees.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall refund the \$750.00 hearing session deposit previously deposited by the Claimant. Forum fees are assessed against:

Respondent Cantor Fitzgerald Partners, in the amount of \$2,250.00, calculated as follows: Three hearing sessions times

\$750.00 per session.

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

ARBITRATORS


Name Public / Industry

Blake Weston, Esq.	Industry Arbitrator
Theodore R. Seton	Industry Arbitrator
Thomas W. Borden	Industry Arbitrator

Concurring Arbitrators' Signatures

Blake Weston, Esq.

Theodore R. Seton



Thomas W. Borden

Date of Decision: _____

Date Served: 06/13/95