

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Morgan Keegan & Co., Inc.,
Claimant,

v.

No. 95-01252

Premium Mortgage Co., and
Gus Cafcalas,
Respondents.

REPRESENTATION OF PARTIES

Morgan Keegan & Co., Inc. ("Claimant") was represented by

Premium Mortgage Co. ("PMC"), and Gus Cafcalas ("Cafcalas") (jointly referred to as "Respondents") failed to appear at the hearing.

CASE INFORMATION

Claimant's Statement of Claim was filed on or about March 10, 1995. Claimant's Submission Agreement was signed on March 9, 1995.

Respondents have failed to file an Answer to the Statement of Claim, and have failed to file Submission Agreements.

HEARING INFORMATION

The hearing was held on December 18, 1995 in Memphis, Tennessee for a total of one (1) session.

CASE SUMMARY

Claimant stated that: PMC was a California corporation; Cafcalas was PMC's registered agent; on or about March 22, 1994, PMC opened an account with claimant and effected transactions over the next several months; it made requests for collateral from PMC in order to allow continuation of the trading activity on several occasions; PMC failed to deposit collateral in its accounts; on or about October 26, 1994, pursuant to the customer agreement with PMC, Claimant restricted trading in the

account due to PMC's failure to provide sufficient collateral to secure the transactions made in the account; and that Claimant has made a demand for the net amount due for the transactions and, despite demand for payment, is still due and owing to Claimant. The dispute arose out of the following transactions: The purchase of 5,000,000 GNMA TBA 8% at 95 13/16; sold 2,000,000 GNMA TBA 8% at 95 9/16; sold 3,000,000 GNMA TBA 8% at 95 7/32; sold 2,000,000 GNMA TBA 8% at 95 3/8; and bought 2,000,000 GNMA TBA 8% at 95 1/2.

RELIEF REQUESTED

In its Statement of Claim, Claimant requested an award against PMC in the amount of \$25,312.50 plus reasonable attorneys' fees and costs of this arbitration.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondents Premium Mortgage Co., and Gus Cafcalas, have been properly served with the Statement of Claim pursuant to §13 and §25 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondents Premium Mortgage Co., and Gus Cafcalas, have received due notice of the hearing as required under §26 of the Code and that arbitration of the matter would proceed pursuant to §29 of the Code.

The parties present at the hearing 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:

Premium Mortgage Co. is liable for, and shall pay to Morgan Keegan & Co., Inc. the sum of \$25,312.50 for its claim for compensatory damages plus statutory interest pursuant to the laws of the State of Tennessee at the rate of 10% per annum from November 24, 1994 to the date of collection, and \$1,500.00 as an award of attorneys' fees.

Morgan Keegan & Co., Inc.'s claims asserted against Gus Cafcalas are, and each of them, are denied and dismissed with prejudice.

Except as specifically set forth in this Award, each party shall bear its own costs expenses associated with this arbitration.

FORUM FEES

Forum fees are calculated at the rate of \$600 per hearing session and \$300 for each prehearing conference, if any. There was one session x \$600 = \$600 in forum fees. Pursuant to §43(b) of the NASD Code of Arbitration Procedure (the "Code"), 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 Code, the NASD shall retain the non-refundable filing fee in the amount of \$500 and shall retain as forum fees the hearing session deposit in the amount of \$600 previously deposited with the NASD by the Claimant .

Dated:

Peter J. Towle

s/s

January 20, 1996

Peter J. Towle

Public Arbitrator, Presiding Chair

Rosemarie L. Bryan

s/s

January 19, 1996

Rosemarie L. Bryan

Public Arbitrator

E. Steve Scales

s/s

January 19, 1996

E. Steve Scales

Industry Arbitrator