

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Richard Ross Hyde, (Claimant) vs. Floyd Stephen Allen, Southwest Securities, Inc., SWS Financial Services (Respondents).

Case Number: 99-01720

Hearing Site: Dallas, Texas

REPRESENTATION OF PARTIES

Claimant, Richard Ross Hyde ("Claimant"): Thomas G. Ferrier, Esq.: Murphy, Mahon, Keffler & Ferrier, L.L. P. , Ft. Worth, Texas.

Respondents, Floyd Stephen Allen, Southwest Securities, Inc., SWS Financial Services, Inc. (collectively "Respondents"): Corbet Bryant, Esq.: Carrington, Coleman, Sloman et. al., Dallas, Texas.

CASE INFORMATION

Statement of Claim filed on or about: April 12, 1999. Statement of First Amended Claim filed on or about: November 5, 1999.

Claimant, Richard Ross Hyde, signed the Uniform Submission Agreement: April 5, 1999.

Statement of Joint Answer filed by Respondents, Floyd Stephen Allen, Southwest Securities, Inc., SWS Financial Services, Inc. , on or about: June 29, 1999.

Respondent, Floyd Stephen Allen, signed the Uniform Submission Agreement: June 14, 1999.

Respondent, Southwest Securities, Inc., signed the Uniform Submission Agreement: May 13, 1999.

Respondent, SWS Financial Services, Inc. , signed the Uniform Submission Agreement: June 15, 1999.

CASE SUMMARY

Claimant Richard Ross Hyde asserted the following causes of action: Fraud, Misrepresentation, negligence, suitability, failure to supervise, breach of fiduciary duty, violation of state and federal securities law and negligent hiring. The causes of action relate to the purchases and sales of Cyberguard in Claimant's account.

Unless specifically admitted in its Answer, Respondents Floyd Stephen Allen, Southwest Securities, Inc., SWS Financial Services, Inc. denied the allegations made in the Statement of Claim and asserted the following defenses: that none of the Respondents ever made misrepresentation to Claimant; Claimant's account was properly supervised at all times; No violation of the Texas Deceptive Trade Practices Consumer Protection Act took place; None of the Respondents are guilty of negligence; Claimant initiate the trading activity of which he complains and has himself caused any financial problems that he may have.

RELIEF REQUESTED

Claimant Richard Ross Hyde requested:

Compensatory Damages	\$3,027,868.43
Punitive Damages	\$6,000,000.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief:	unspecified

Respondents Floyd Stephen Allen, Southwest Securities, Inc., SWS Financial Services, Inc. requested:

Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief:	unspecified

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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Arbitration Panel has decided in full and final resolution of the issues submitted for determination as follows:

- (1.) That Respondent Floyd Stephen Allen is liable for and shall pay Claimant Richard Ross Hyde compensatory damages in the amount of \$100,000.00 (one hundred thousand dollars);
- (2.) That any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$600.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is a party and the Respondent's former firm.

Member surcharge	= \$3,000.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$5000.00

Adjournment Fees

Adjournments requested during these proceedings:

May 22-24 of 2000, adjournment by party Richard Ross Hyde	= \$1000.00
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Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 (one) Pre-hearing session with Panel x \$1,200.00	= \$1,200.00
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Pre-hearing conference:	November 15, 1999	1 session
6 (six) Hearing sessions x \$1,200.00		= \$7,200.00
Hearing Dates:	September 6, 2000	2 sessions
	September 7, 2000	2 sessions
	September 8, 2000	2 sessions
Total Forum Fees		= \$8,400.00

1. The Arbitration Panel has assessed \$4,200.00 of the forum fees jointly and severally to Respondents Floyd Stephen Allen, Southwest Securities, Inc., SWS Financial Services, Inc.
2. The Arbitration Panel has assessed \$4,200.00 of the forum fees solely to Claimant Richard Ross Hyde.

Fee Summary

1. Claimant, Richard Ross Hyde, Inc., be and hereby is solely liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$4,200.00
Postponement fees	= \$1,200.00
Administrative Costs	= \$0
Total Fees	= \$6,000.00
<u>Less payments</u>	<u>= \$2,800.00</u>
Balance Due NASD Regulation, Inc.	= \$3,200.00
2. Respondent, Southwest Securities Inc., be and hereby is solely liable for:

Member Fees	= \$8,600.00
Administrative Costs	= \$0
Total Fees	= \$8,600.00
<u>Less payments</u>	<u>= \$8,600.00</u>
Zero Balance	= \$0.00

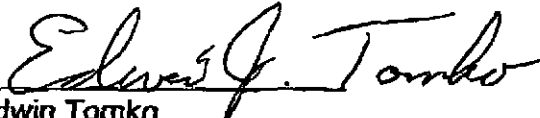
Respondents, Floyd Stephen Allen, Southwest Securities, Inc., SWS Financial Services, Inc. be, and hereby are jointly and severally liable for:

Forum Fees:	= \$4,200.00
<u>Administrative Costs</u>	<u>= \$0</u>
Total Fees	= \$4,200.00
<u>Less payments</u>	<u>= \$4,200.00</u>
Balance Due NASD Regulation	= \$4,200.00

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signature

Richard Knudsen
Public Arbitrator, Presiding Chair


Edwin Tomko
Public Arbitrator

Lisa Browning
Public Arbitrator,

Signature Date


Signature Date

Signature Date

All balances are due to NASD Regulation, Inc.


Concurring Arbitrators' Signature

Richard Knudsen
Public Arbitrator, Presiding Chair

Signature Date

Edwin Tomko
Public Arbitrator


Signature Date

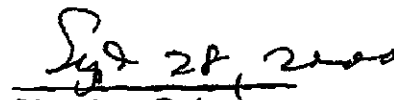

Lisa Browning
Public Arbitrator,

9/28/2000
Signature Date

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signature


Richard Knudsen
Public Arbitrator, Presiding Chair


Signature Date

Edwin Tomko
Public Arbitrator

Signature Date

Lisa Browning
Public Arbitrator.

Signature Date