

MSRB
MUNICIPAL SECURITIES RULEMAKING BOARD

AUG 20 1990

In the Matter of the Arbitration between :
:
NORMAN E. MCMURRY, :
:
Claimant, :
:
v. :
:
:
:
FIRST AMERICAN SECURITIES, INC., :
:
Respondent. :
:

AWARD

MS 91-84

The Undersigned, pursuant to section 31 of MSRB rule G-35, hereby states as follows:

CASE SUMMARY

On October 29, 1990, Claimant purchased from Respondent \$10,000 face amount of West Harris County, Texas, Municipal Utility District No. 7 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 1985, dated 1/1/85, 11.25%, due 3/1/99 (the "Bonds") at a price of 104.25, plus accrued interest. Claimant alleges, among other things, that Respondent failed to exercise due diligence before offering the Bonds for sale.

Respondent argues, among other things, that Respondent fully complied with its due diligence requirements before offering the Bonds and did not know, nor could have known, that a default would occur several months later.

RELIEF REQUESTED

Claimant seeks to have Respondent repurchase the Bonds for the price paid of \$10,425.00, plus accrued interest of \$196.88, for a total of \$10,621.88.

Respondent requests that the Statement of Claim be dismissed and that Respondent be granted its attorneys' fees, costs and all other just and proper relief.

AWARD

On June 18, 1992, in Dallas, Texas, the undersigned arbitrator heard the controversy between the parties set forth in submissions to the arbitrator signed by Claimant on October 28, 1991 (filed with the MSRB on November 18, 1991) and by Respondent on February 3, 1992. The undersigned, having considered the pleadings, the testimony and the evidence presented at the hearing, has determined, in full and final resolution of the issues submitted for determination, as follows:

1. Respondent shall pay to Claimant \$10,621.88, upon Claimant's delivery of the Bonds to Respondent.
2. Each of the parties shall bear its own costs, including attorneys' fees.
3. Pursuant to MSRB rule A-16: Claimant's \$100 filing fee shall remain with the MSRB and Claimant's \$300 hearing deposit shall be refunded to Claimant by the MSRB and assessed against Respondent as forum fees.

Public Arbitrator

Dated: 8/19/92

STATE OF TEXAS
COUNTY OF TRAVIS

ss.:

On this 19th day of August, 1992, before me personally appeared _____ to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

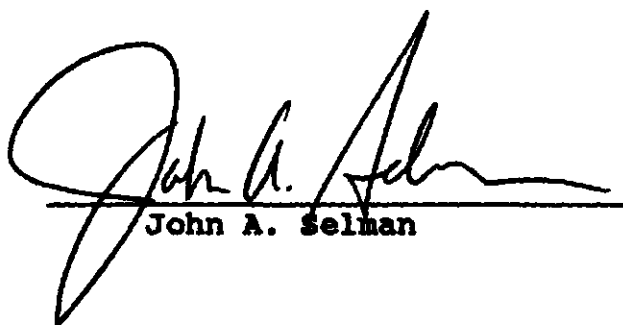


Debbie P. Lamb

AWARD

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3. Pursuant to MSRB rule A-16: Claimant's \$100 filing fee shall remain with the MSRB and Claimant's \$300 hearing deposit shall be refunded to Claimant by the MSRB and assessed against Respondent as forum fees.


John A. Selman

Dated: 8/19/92

STATE OF TEXAS
COUNTY OF TARRANT

SS.:

On this 19th day of August, 1992, before me personally appeared John A. Selman to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

