

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Timothy W. Crawford, (Claimant) vs. Banc Stock Financial Services, Inc., (Respondent)

Case Number: 01-03248

Hearing Site: Columbus, Ohio

REPRESENTATION OF PARTIES

Claimant, Timothy W. Crawford, hereinafter referred to as "Claimant": Phillip D. Lehmkuhl, Esq., a sole practitioner, Mt. Vernon, OH.

Respondent, Banc Stock Financial Services, Inc., hereinafter referred to as "Respondent": Joseph R. Miller, Esq., Vorys, Sater, Seymour and Pease LLP, Columbus, OH. Previously represented by: Lisa R. Hunter, Director of Administration & Compliance, Banc Stock Financial Services, Inc., Columbus, OH.

CASE INFORMATION

Statement of Claim filed on or about: June 11, 2001.

Reply to Counterclaim filed by Claimant on or about: July 27, 2002.

Claimant signed the Uniform Submission Agreement: June 8, 2001.

Statement of Answer filed by Respondent on or about: August 9, 2001.

Amended Statement of Answer and Counterclaim filed by Respondent on or about: July 22, 2002.

Respondent signed the Uniform Submission Agreement: August 9, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: failure to pay commissions; breach of agreement; negligent failure to have selling agreements in place for Fidelity and Putnam Funds before authorizing Claimant to sell such funds; failure to bill Claimant's clients for management fees, resulting in lost income to Claimant; and improper servicing of the accounts of Claimant's clients.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant was never assured that he would be paid the commissions in dispute; it was not apparent to Respondent at any time that Claimant's customers were not being properly serviced; Claimant lacks standing to allege violations or pursue claims of clients or past clients of Respondent; and each of the contentions that Claimant makes are without merit.

In its Counterclaim, Respondent asserted the following cause of action: breach of Promissory Note.

Unless specifically admitted in his Reply, Claimant denied the allegations made in the Counterclaim and asserted the following defense: Claimant signed the Promissory Note under threat that he would not otherwise be paid his regular pay from Respondent at the time.

RELIEF REQUESTED

Claimant requested:

1. That Respondent be ordered to refund the improper commissions charged to customer James Stenger in the amount of \$467.74;
2. That Respondent be ordered to properly credit certain mutual funds purchased by Claimant's clients to their respective accounts;
3. That Respondent be ordered to refund the improper management fees charged to Claimant's clients;
4. That Respondent be ordered to reimburse Claimant the sum of \$18,000.00, representing monies he advanced against the future commissions of trainee Patty Falla, and training, pursuant to the authority given to him by Respondent;
5. That Respondent be ordered to pay Claimant the difference between \$70,000.00 (representing unpaid, but promised, commissions) and the amount of the Promissory Note executed by Claimant for \$35,000.00, plus interest, in July 2000;
6. That Respondent be assessed pre-judgment interest at the rate of 10% from November 28, 2000 on all sums ordered to be paid to Claimant by Respondent;
7. That Respondent be ordered to pay all of the costs of this arbitration, including all applicable NASD fees;
8. That Respondent be ordered to pay the payouts lost by Claimant on Fidelity and Putnam Fund sales in February and March, 2000, in the approximate amount of \$9,627.94;

9. That Respondent be ordered to pay Claimant the amounts due him as a result of Respondent's failure to bill Claimant's clients for management fees, in the approximate amount of \$2,931.80; and
10. That Respondent be ordered to pay Claimant's reasonable attorneys' fees incurred in bringing this claim, in such amount as may be established at the hearing in this matter.

Respondent requested judgment in its favor upon Claimant's meritless claims, and for all costs incurred by Respondent in defending against Claimant's claims.

In its Counterclaim, Respondent requested compensatory damages in the amount of \$35,000.00, plus all costs of this arbitration including, but not limited to, all attorneys' fees and expenses, and for any other relief to which the Panel deems Respondent to be entitled.

In his Reply, Claimant requested that the Panel award nothing to Respondent pursuant to its Counterclaim.

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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are hereby denied in their entirety.
2. Claimant be and hereby is liable for and shall pay to Respondent the sum of \$35,000.00 as compensatory damages.
3. Claimant be and hereby is liable for and shall pay to Respondent the sum of \$16,466.55 as attorneys' fees. The Panel awarded attorneys' fees pursuant to the terms of the Promissory Note signed by Claimant.
4. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 225.00

Counterclaim filing fee = \$1,000.00

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, Banc Stock Financial Services, Inc. is a party.

Member surcharge = \$1,000.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$1,500.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with Panel x \$750.00 = \$ 750.00

Pre-hearing conference: February 21, 2002 1 session

Five (5) Hearing sessions x \$750.00 = \$3,750.00

Hearing Dates: August 14, 2002 2 sessions

August 15, 2002 3 sessions

Total Forum Fees = \$4,500.00

1. The Panel has assessed \$2,250.00 of the forum fees against Claimant.
2. The Panel has assessed \$2,250.00 of the forum fees against Respondent.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	= <u>\$2,250.00</u>
Total Fees	= \$2,475.00
<u>Less payments</u>	= <u>\$ 975.00</u>
Balance Due NASD Dispute Resolution	= \$1,500.00

2. Respondent be and hereby is solely liable for:

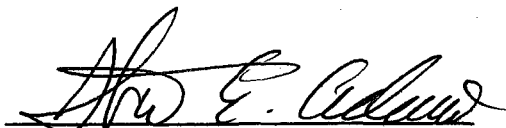
Counterclaim Filing Fee	= \$1,000.00
Member Fees	= \$3,100.00
<u>Forum Fees</u>	= <u>\$2,250.00</u>
Total Fees	= \$6,350.00
<u>Less payments</u>	= <u>\$3,100.00</u>
Balance Due NASD Dispute Resolution	= \$3,250.00

All balances are payable to NASD Dispute Resolution, and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Willis E. Adams, II	-	Non-Public Arbitrator, Presiding Chair
John B. Glueckert	-	Non-Public Arbitrator
Gary D. Wachs, MBA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Willis E. Adams, II
Non-Public Arbitrator, Presiding Chair

9-16-02

Signature Date

John B. Glueckert
Non-Public Arbitrator

Signature Date

Gary D. Wachs, MBA
Non-Public Arbitrator

Signature Date

September 30, 2002


Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Willis E. Adams, II	-	Non-Public Arbitrator, Presiding Chair
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Non-Public Arbitrator, Presiding Chair
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Non-Public Arbitrator, Presiding Chair

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John B. Glueckert
Non-Public Arbitrator

Signature Date



Gary D. Wachs, MBA
Non-Public Arbitrator

9-13-02

Signature Date

September 30, 2002

Date of Service (For NASD Dispute Resolution use only)

