

ending April 27, 1990, thereafter, it was Claimant's personal decision to hold his position in Equity Growth Corp. Respondent further contended that they were without knowledge and information that Equity was having financial problems and had no information or reason to know or believe that Equity would be removed from the NASDAQ listing. Respondent asserted that they did not recommend to Claimant to retain the Equity stock and did not authorize Respondent, Eric Vallejo to make statements to Claimant which were untrue or in violation of an applicable laws, rules and regulations. Respondent, J.W. Gant & Associates, Inc. further asserted that they only make recommendations and the ultimate decision to purchase, sell or hold were those of Claimant and Respondent, J.W. Gant & Associates, Inc. cannot be held liable for Claimant's failure to mitigate his losses.

Respondent, Eric Vallejo, who appeared Pro Se, maintained that on December 6, 1989 he recommended to Claimant, Dwight S. Davis the purchase of Equity Growth Corp. based on the information provided by the financing department at Respondent, J.W. Gant & Associates, Inc. Respondent, Eric Vallejo further maintained that in early April 1990 when Claimant needed to raise capital, he advised Claimant to hold the Equity stock at the recommendation of Respondent, J.W. Gant & Associates, Inc. Respondent, Eric Vallejo contended that in late April 1990 the Equity Growth Corp. stock was de-listed from NASDAQ, because the stock was now on the pink sheet and Respondent, J.W. Gant & Associates, Inc. could no longer trade the issue. Respondent further contended that his recommendation was based solely on the information he received from Respondent, J.W. Gant & Associates, Inc. corporate financing department and he relied on his supervisors to provide accurate information concerning the Equity Company, since it was Respondent, J.W. Gant & Associates, Inc. policy that its brokers were not allowed to contact any company directly, thus, Respondent, Eric Vallejo cannot be held liable for Claimant's loss.

RELIEF REQUESTED

Claimant, Dwight S. Davis requested \$6,825.00 in actual damages.

Respondent, J.W. Gant & Associates, Inc. requested the claim be dismissed and they be awarded attorney's fees along with costs.

Respondent, Eric Vallejo requested the claim be denied.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, David A. Townsend, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on May 29, 1991, by the Respondent, J.W. Gant & Associates, Inc. on September 20, 1991 and by the Respondent, Eric Vallejo on May 14, 1992.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimant, Dwight S. Davis against Respondent, J.W. Gant & Associates, Inc. and Eric Vallejo are dismissed.
2. The parties shall bear their respective costs, including attorney's fees.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant, Dwight S. Davis shall be retained by the NASD, Inc.

AFFIRMATION

I, DAVID A. TOWNSEND, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: July 7, 1992