

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Max Wallis

92-02954

Name of Respondents

J.W. Gant and Associates, Inc.
James S. Hall

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 2, 1992, Claimant Max Wallis, who appeared Pro Se, alleged that after Respondent James S. Hall, an employee of Respondent J.W. Gant and Associates, Inc., called him many times, he agreed to purchase 10,000 shares of Magnetech. Claimant further alleged that Respondent James S. Hall assured him that the stock was a "winner" and that it would go up in June, 1992 at which time, Respondent James S. Hall assured Claimant that he was buying all the stocks he could. Claimant contended that Respondent James S. Hall told him he would call every Wednesday to update him on the stocks action which Respondent James S. Hall failed to do. Claimant further contended that Respondent J.W. Gant & Associates, Inc. received his check for \$5,925.00 on May 21, 1992 and subsequently on June 4, 1992, he contacted Respondent James S. Hall to inform him to sell the stock if it went below \$.51, whereby Respondent James S. Hall informed Claimant he should keep the stock because "its a great deal" and, "it will make you money". Claimant asserted that he still wanted to sell the stock which Respondent James S. Hall never did and the stock dropped to \$.18. Claimant further asserted that because of Respondents J.W. Gant & Associates, Inc. and James S. Hall's actions, Claimant incurred losses.

Respondent James S. Hall, who appeared Pro Se, maintained that Claimant Max Wallis received brochures on Magnetech Corp. and in no way did he mislead Claimant at any time. Respondent James S. Hall further maintained that he was completely upfront and honest with Claimant at all times. Respondent James S. Hall contended that he acted professionally and at all times tried to service Claimant's account to the best of his ability. Respondent further

contended that he had no control of Respondent J.W. Gant & Associates, Inc. going out of business, which caused the majority of the stock that they made a market in, to fall considerably.

Respondent J.W. Gant & Associates, Inc. failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Max Wallis requested \$3,368.50 in actual damages plus reimbursement of the NASD filing fee.

Respondent James S. Hall requested the claim be denied.

Respondent J.W. Gant & Associates, Inc. failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondent J.W. Gant & Associates, Inc. was served a copy of the Statement of Claim by regular mail on October 29, 1992 and given an opportunity to respond, which they failed to do. Respondent J.W. Gant & Associates, Inc. was notified on December 17, 1992, via certified mail, of the selected arbitrator, pursuant to Section 21 of the NASD Code of Arbitration Procedure. This correspondence was returned to the NASD marked "refused". Respondent J.W. Gant & Associates, Inc. failed to file an Answer to the Statement of Claim.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent J.W. Gant & Associates, Inc. was required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

AWARD

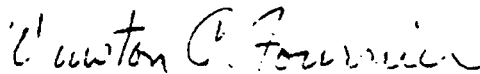
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Winston C. Fournier, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on August 26, 1992, by the Respondent James S. Hall on November 6, 1992 and not signed by the Respondent J.W. Gant & Associates, Inc. as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

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 Max Wallis against Respondents J.W. Gant & Associates, Inc. and James S. Hall are dismissed.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Max Wallis shall be retained by the NASD, Inc.

AFFIRMATION

I, **WINSTON C. FOURNIER**, 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: April 14, 1993