

N.A.S.D. AWARD

PUBLIC

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Steven & Tracey Crookes

92-04133

Name of Respondents

Hibbard Brown & Company Inc.
Rufus Chester III

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 8, 1992, Claimants Steven & Tracey Crookes, who appeared Pro Se, alleged that Respondent Rufus Chester III, while employed by Respondent Hibbard Brown & Co., Inc. made unsuitable recommendations and used high pressure tactics to get them to purchase securities that they were not informed were stocks in which Respondent Hibbard Brown & Co., Inc. was a market maker and which were not suitable for their investment objectives. The Claimants further alleged that the Respondents sold them these securities, CCC Franchising, Future Medical Technologies, UTS Immunotherapeutics, Inc. among others without concern for their portfolio growth and that the Respondents should be held liable for the losses they have suffered.

Respondents Hibbard Brown & Co., Inc. and Rufus Chester III, through their in-house counsel, Stephen B. Caruso, Esq., maintained that a number of investment recommendations were made to the Claimants and they were given a fair and balanced presentation of both the investment merits and risks that were associated with each. The Respondents further maintained that the Claimants chose to invest in fewer securities and they received written confirmation for each, none of which were protested. The Respondents contended that any loss sustained by the Claimants is due to their own negligence, and they should not be held liable in this matter.

RELIEF REQUESTED

Claimants Steven and Tracey Crookes requested \$10,000.00 in actual damages.

Respondents Hibbard Brown & Co., Inc. and Rufus Chester III requested that the claims of the Claimants be dismissed and that it be awarded attorney's fees.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Guy R. Friddell, III, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on December 3, 1992, by the Respondent Hibbard Brown & Co., Inc. on January 18, 1993 and by Respondent Rufus Chester III on January 20, 1993.

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. Respondents Hibbard Brown & Co., Inc. and Rufus Chester III are jointly and severally liable and shall pay to the Claimants Steven & Tracey Crookes \$10,000.00 in actual damages.
2. The parties shall bear their respective costs and attorney's fees.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc.

AFFIRMATION

I, GUY R. FRIDDELL, III, 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: June 3, 1993