

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Hal S. Crawford

92-04176

Name of Respondents

J.W. Gant and Associates, Inc.  
Hanifen, Imhoff Inc.

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 11, 1992, Claimant Hal S. Crawford, who appeared Pro Se, alleged that he was induced into making a stock purchase by Respondent J.W. Gant and Associates, Inc. stockbrokers whereby he was led to believe that Chatfield Dean was helping with this underwriting. Claimant further alleged that Respondent J.W. Gant and Associates, Inc. failed to deliver a copy of Longwood's prospectus stock which Claimant purchased and was later informed by his broker, Mr. Thomas Sobhani, that he was leaving the company because the company appeared to be involved in fraudulent trades. Claimant contended that after Mr. Sobhani's departure from Respondent J.W. Gant & Associates, Inc., repeated requests were made to Respondent J.W. Gant & Associates, Inc. to liquidate the account at the \$1,831.00-\$2,250.00 level but the stock was not sold because the value of the stock was not what Respondents represented it to be. Claimant further contended that due to the closing of Respondent J.W. Gant & Associates, Inc., his account was transferred to Respondent Hanifen, Imhoff, Inc. without Claimant's consent or advance knowledge. Claimant asserted that Respondent Hanifen, Imhoff, Inc. closed his account and sent a check for \$42.17, which represented a loss in excess of \$2,650.00 as a result of Respondents' actions.

Claimant further asserted a Motion to Preclude Respondent Hanifen, Imhoff, Inc. Statement of Answer pursuant to Section 13(d) of the NASD Code of Arbitration Procedure.

Respondent Hanifen, Imhoff, Inc. by and through their in-house counsel, Richard T. Heubner, Esq., maintained that subsequent to initiation of the clearing transactions, and prior to the transfer of accounts, Respondent J.W. Gant and Associates, Inc. went out of capital compliance,

whereby through a series of negotiations, Respondent Hanifen, Imhoff, Inc. agreed to accept transfers of accounts. Respondent Hanifen, Imhoff, Inc. further maintained that they did not accept transfer or assignment of Respondent's J.W. Gant & Associates, Inc. assets or liabilities, thus the claim should be dismissed.

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

### **RELIEF REQUESTED**

Claimant Hal S. Crawford requested \$2,650.00 in actual damages together with interest and costs.

Respondent Hanifen, Imhoff, Inc. requested the claim be dismissed.

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 January 25, 1993 and given an opportunity to respond, which they failed to do.

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, Drew R. Fuller, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on December 7, 1992, by the Respondent Hanifen, Imhoff, Inc. on March 3, 1993 and not 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 Claimant's Motion to Preclude Respondent Hanifen, Imhoff, Inc.'s Statement of Answer is hereby denied.
2. The claims of Claimant Hal S. Crawford against Respondents Hanifen, Imhoff, Inc. and J.W. Gant & Associates, Inc. are dismissed.
3. The parties shall bear their respective costs.
4. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Hal S. Crawford shall be retained by the NASD, Inc.

**AFFIRMATION**

I, **DREW R. FULLER**, 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.

  
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Signature of Arbitrator

**DATE OF DECISION:** July 23, 1993