

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Karol E. Kacprzak

93-03632

Name of Respondents

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

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**REPRESENTATION**

Claimant Karol R. Kacprzak ("Claimant") represented himself. Claimant did not attend the hearing on April 13, 1994.

Respondent J.W. Gant and Associates, Inc. ("Gant") did not appear and is no longer doing business.

Respondent Hanifen, Imhoff, Inc. ("Hanifen") was represented by Richard T. Huebner, Compliance Officer and General Counsel of Hanifen, Imhoff, Inc., Denver, Colorado. Hanifen participated in this arbitration via a telephone conference call.

**CASE INFORMATION**

Statement of Claim filed on: September 15, 1993, additional submission filed on December 16, 1993.

Claimant's Submission agreement signed on: September 13, 1993

Statement of Answer filed on: December 6

Hanifen's Submission Agreement signed on: December 2, 1993

**HEARING INFORMATION**

Hearing Date/Sessions: April 13, 1994, one session

Hearing Location: Holiday Inn, Buffalo, New York

### **CASE SUMMARY**

Claimant alleged among other things, that Respondent Gant made material misrepresentations regarding Cinematronics, Inc. Claimant alleged that Gant's representative told Claimant that Cinematronics would sky rocket in value from 15 cents to \$100 per share. Claimant alleged that based on this representation he purchased 1000 shares of Cinematronics. Claimant alleged that Respondents mishandled his account. Claimant alleged that he was contacted by a successor broker and informed that \$1,000 was in his account. Claimant seeks return of these monies. Claimant alleged that he mailed \$1000 to Hanifen to purchase John Hancock Sovereign Investors Fund. Claimant alleged that Hanifen improperly handled this transactions; that Hanifen refused to open an account and that Hanifen improperly held onto Claimant's monies.

Respondent Hanifen maintained that at all times it properly handled Claimant's account. Hanifen maintained that its relationship to Claimant was that it cleared trades for Gant and later for Chatfield Dean & Co., Inc. Hanifen maintained a contractual relationship with Gant to clear trades for it and when Gant went out of business Claimant's account was transferred to Chatfield Dean. Hanifen maintained that as a clearing firm it has no contractual relationship with Claimant but cleared transactions for introducing firms like Gant and Chatfield Dean and holds their accounts. Hanifen maintained that Claimant purchased \$1000 of John Hancock Sovereign Investors Fund but that Claimant failed to pay for the trade by settlement date. Hanifen maintained that Claimant's check for \$1000 was received approximately a month late. Hanifen maintained that Claimant's funds were disbursed back to Claimant slightly more than one month later.

Gant did not answer.

### **RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$1000.

Respondent Hanifen requested that Claimant's claim be dismissed in its entirety.

### **OTHER ISSUES CONSIDERED & DECIDED**

Claimant was not present for the hearing. Attempts to reach him by telephone on

the date of the hearing were unsuccessful. There was no response to his telephone number that was listed. Claimant received information and notice of the hearing by certified mail on March 17, 1994. (see attached)

The Presiding Arbitrator permitted Respondent Hanifen to testify via conference call. Hanifen's representative, Richard T. Huebner testified through telephone conference call from Denver, Colorado.

There was no representative from Gant present.

### **AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. As to the claim against Respondent Hanifen, there is no evidence of financial loss to the Claimant. Since there was insufficient detail as to the trade involving Gant, there is no basis for a finding of a financial loss that can be attributed to them.

For the said reasons the claim is denied in its entirety.

2. All other claims not explicitly addressed are denied in their entirety.
3. That the parties shall bear their own costs, including attorney's fee.

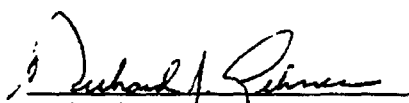
### **FORUM FEES**

Pursuant to Section 43(a) of the Code of Arbitration Procedure, Forum Fees of \$15 previously filed by the Claimant are retained.

Concurring Arbitrator's Signature

Name

Public/Industry

  
Richard J. Lehnner  
Chairman

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Public Arbitrator