

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

P. A. Graver & Associates, Inc.

94-00073

Name of Respondent

Hill Crawford & Lanford, Inc.

REPRESENTATION OF PARTIES

Claimant P. A. Graver & Associates, Inc. ("P. A. Graver") was represented at the hearing by William J. Bolotin, Esq. of Doyle, Bolotin & Burke, Ltd., of Chicago, Illinois.

Respondent Hill Crawford & Lanford, Inc. ("Hill Crawford") was represented at the hearing by Richard L. Ramsay, Esq. of Arnold, Grobmyer & Haley, of Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed with the NASD by Claimant on January 5, 1994. The Uniform Submission Agreement was signed by Paul A. Graver, President, on behalf of P. A. Graver on December 16, 1993.

The Statement of Answer was filed by Respondent Hill Crawford on February 22, 1994. The Uniform Submission Agreement was signed by Robert L. Lanford, President, on behalf of Hill Crawford on February 17, 1994.

HEARING INFORMATION

The hearing was held on November 8, 1994 in Chicago, Illinois for a total of two (2) hearing sessions.

CASE SUMMARY

Claimant P. A. Graver alleged in its Statement of Claim that in April 1990 it acted as placement agent in connection with the purchase by LaSalle National Bank ("LaSalle") of bonds issued by Towers Health Care Receivables Funding Corporation ("Towers"), and that according to the

terms of the commission agreement P. A. Graver was entitled to a 1% commission on the principal amount when LaSalle converted the bonds. Claimant further alleged that Towers refused to pay the commission to P. A. Graver, and at LaSalle's request, paid the commission to Respondent Hill Crawford, who accepted the commission payment although it knew that P. A. Graver was entitled to it, as set forth in the commission agreement and private placement memorandum.

Respondent Hill Crawford in its Answer to the Statement of Claim denied any knowledge of the commission agreement between Claimant and Towers entitling Claimant to the commission, denied any knowledge that Towers had refused to pay the commission to Claimant, and denied that it received funds that were earned by and rightfully belong to Claimant. Respondent Hill Crawford stated that it accepted the commission payment from Towers and distributed part of it to another broker-dealer pursuant to directions from LaSalle. The Respondent pleaded affirmatively that Claimant's claim is barred for failure to state a claim upon which relief may be granted.

RELIEF REQUESTED

Claimant requested damages in the amount of \$150,000 plus interest and costs.

Respondent Hill Crawford requested that the Statement of Claim be dismissed and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed by counterpart copies. The parties have also agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD.

AWARD

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

1. The Statement of Claim filed by Claimant P. A. Graver & Associates, Inc., is denied and dismissed in its entirety.
2. Each of the parties shall bear their own costs and expenses incurred, other than those specifically enumerated for herein.
3. Any relief not specifically provided for herein is denied.

FORUM FEES

Pursuant to §43(c) of the NASD Code of Arbitration Procedure, the following forum fees are assessed:

2 hearing sessions x \$750 = \$1,500.

Pursuant to §43(c) of the Code, the NASD shall retain the non-refundable filing fee in the amount of \$500, and the hearing session deposit in the amount of \$750.

The panel has ordered that additional forum fees in the amount of \$750 shall be paid by the Claimant.

Forum Fees are payable to the National Association of Securities Dealers, Inc.

By The Arbitration Panel:

Dated:

11/18/94

s/s Kevin J. Conway, Esq.
Kevin J. Conway, Esq., Presiding
Industry Arbitrator

11/19/94

s/s Robert Biondi
Robert Biondi
Industry Arbitrator

11/21/94

s/s James D. Baer
James D. Baer
Industry Arbitrator

Date Award Served By The NASD: 12/5/94