BEFORE THE NATIONAL ADJUDICATORY COUNCIL
NASD REGULATION, INC.

DISTRICT BUSINESS CONDUCT COMMITTEE FOR DISTRICT NO. 9 **1835 Market Street, Suite 1900** **Philadelphia, Pennsylvania 19103** **Complainant,** **vs.** **ALBERT J. FORD** **Registered General Securities Representative (CRD No. 1835821)** **and** **DOUGLAS F. ANDREWS** **Registered General Securities Representative (CRD No. 1793108)** **Respondents.**	**DECISION AND ORDER OF ACCEPTANCE OF OFFER OF SETTLEMENT BY RESPONDENTS ALBERT J. FORD AND DOUGLAS F. ANDREWS IN COMPLAINT NO. C9B960013** **Date: APRIL 21, 1999**

INTRODUCTION

Complaint No. C9B960013 was filed on May 8, 1996 by the District Business Conduct Committee for District No. 9 of NASD Regulation, Inc. Respondents Albert J. Ford ("Respondent Ford") and Douglas F. Andrews ("Respondent Andrew") have submitted Offers of Settlement ("Offer") to the National Adjudicatory ("NAC"). The NAC has accepted these uncontested Offers. Accordingly, this Offer now is issued. The findings, conclusions and sanctions set forth in this Order are those stated in the Offers as approved by the NAC.

Under the terms of the Offers, Respondents Ford and Andrews have consented, for the purpose of this proceeding only, without admitting or denying the allegations of the Complaint, to the entry of findings of facts and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understand that this Order will become part of their permanent disciplinary records and may be considered in any future actions brought by the National Association of Securities Dealers, Inc. ("Association").

BACKGROUND

Respondent Ford was in the securities industry from May 1988 through September 1998. He was registered with the Association as a General Securities Representative from June 1988 to August 1994 with Hibbard, Brown & Co. ("Hibbard"). He is not currently associated with a member firm, but he remains subject to the Association's jurisdiction. Respondent Ford has no prior disciplinary history.

Respondent Andrews was in the securities industry from January 1988 through April 1998. He was registered with the Association as a General Securities Representative from June 1988 to August 1994 with Hibbard, and as a General Securities Principal from September 1991 to August 1994. He is not currently associated with a member firm, but he remains subject to the Association's jurisdiction. Respondent Andrews has no prior disciplinary history.

FINDINGS AND CONCLUSIONS

It has been determined that the Offers be accepted and that findings be made as follows:[1]

The Complaint alleged that during the period January 1, 1991, through December 31, 1993, Respondent Ford was a branch manager in Hibbard's Wayne, Pennsylvania branch office, and Respondent Andrews was a branch manager in Hibbard's Lancaster, Pennsylvania branch office.

Cause I of the Complaint asserted that Respondents Ford and Andrews violated Article III, Sections 1 and 18 of the Rules of Fair Practice (now Conduct Rules 2110 and 2120), Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder. Specifically, Cause I alleged that Respondents Ford and Andrews assisted in the operation of Hibbard's boiler rooms. They recruited and trained inexperienced registered representatives to aggressively telemarket the low-priced, speculative securities recommended by Hibbard to the public. It was alleged in Cause I that Respondents Ford and Andrews then directed, fostered or induced the registered representatives to engage in the following abusive sales practices: (1) baseless price predictions about the stock recommended by Hibbard; (2) making material misrepresentations and omitting material negative information during sales presentations to customers; (3) discouraging or prohibiting registered representatives from independently researching the Hibbard stocks; and (4) discouraging or prohibiting registered representatives from processing unsolicited customer sell orders. In addition, Cause I alleged that Respondents Ford and Andrews engaged in the abusive sales practices set forth above in their individual capacities during presentations to their customers. Based on the foregoing, Respondents Ford and Andrews violated Article III, Sections 1 and 18 of the Rules of Fair Practice (now Conduct Rules 2110 and 2120), Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder.

[1] The findings herein are pursuant to Respondent Ford's and Andrew's Offers of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

Cause II of the Complaint alleged that Respondent Ford violated Article III, Sections 1 and 18 of the Rules of Fair Practice (now Conduct Rules 2110 and 2120). Specifically, Cause II asserted that Respondent Ford, acting through other Hibbard registered representatives, directed, encouraged, caused, and/or facilitated the purchase of stocks by other Hibbard registered representatives for their customers' accounts without the customers' prior authorization or consent, and that Respondent Ford purchased stocks for his own customers' accounts without the customers' prior authorization or consent. Based on the foregoing, Respondent Ford violated Article III, Sections I and 18 of the Rules of Fair Practice (now Conduct Rules 21 10 and 2120).

Cause III of the Complaint alleged that Respondents Ford and Andrews violated Article III, Sections 1 and 27 of the Rules of Fair Practice (now Conduct Rules 2110 and 3010). Specifically, Cause III asserted that Respondents Ford and Andrews failed to establish, implement, and enforce reasonable procedures to deter or prevent the above violations. Based on the foregoing, Respondents Ford and Andrews violated Article III, Sections 1 and 27 of the Rules of Fair Practice (now Conduct Rules 2110 and 3010).

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offers are in the public interest, are sufficiently remedial to deter Respondents from any future misconduct, and represent a proper discharge by NASD Regulation, Inc., of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent Ford be censured, fined $95,000, and barred from association with any NASD member in any capacity. The sanctions imposed herein shall be effective on a date set by the Association staff, but the bar is effective immediately. NASD Regulation will suspend fine collection efforts unless and until Ford seeks to again become associated with any NASD member firm in any capacity. Payment of the fine shall be a prerequisite for consideration of any application for association with a member firm.

It is ordered that Respondent Andrews be censured, fined $75,000, and barred from association with any NASD member in any capacity. The sanctions imposed herein shall be effective on a date set by the Association staff, but the bar is effective immediately. NASD Regulation will suspend fine collection efforts unless and until Andrews seeks to again become associated with any NASD member firm in any capacity. Payment of the fine shall be a prerequisite for consideration of any application for association with a member firm.

On Behalf of the National Adjudicatory Council

By:____________________________________
Alden S. Adkins,
Senior Vice President and General Counsel

CERTIFICATE OF SERVICE

I, Vickie R. Olafson, certify that on this 21st day of April 1999, I caused a copy of the Order Accepting Offer of Settlement to be served, via U.S. mail on:

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