

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Dorothy S. Steinmetz, (Claimant) vs. Ehrenkrantz King Nussbaum, Inc., Jan E. Grossman, and Gruntal & Co., L.L.C., (Respondents)

Case Number: 00-00714

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Dorothy S. Steinmetz, hereinafter referred to as "Claimant": James A. Scarpone, Esq., Hellring Lindeman Goldstein & Siegal LLP, Newark, NJ.

Respondents, Ehrenkrantz King Nussbaum, Inc. ("Ehrenkrantz") and Jan E. Grossman ("Grossman"): Thomas C. Henry, Esq., Law Offices of Roberts & Henry, St. Michaels, MD.

Respondent, Gruntal & Co., L.L.C. ("Gruntal"): Joseph A. Vallo, Esq., Vice President and Assistant General Counsel, Gruntal & Co., L.L.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 16, 2000.

Claimant signed the Uniform Submission Agreement: February 16, 2000.

Statement of Answer filed by Ehrenkrantz and Grossman on or about: May 15, 2000.

Ehrenkrantz signed the Uniform Submission Agreement: May 15, 2000.

Grossman signed the Uniform Submission Agreement: May 17, 2000.

Statement of Answer filed by Gruntal on or about: May 12, 2000.

Gruntal signed the Uniform Submission Agreement: May 12, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability; failure to know their customer; inappropriate investment recommendations; breach of fiduciary duty; failure to supervise; and failure to follow instructions. Claimant's claim involved the stocks of Loewen Group, Inc. and Transcoastal Marine Services, Inc.

Unless specifically admitted in their Answer, Ehrenkrantz and Grossman denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to set forth a claim upon which relief can be granted; the risk of Claimant's alleged damages or losses was expressly assumed by Claimant by entering into the unsolicited transactions which are the subject hereof; Claimant is barred from any recovery against Respondents because she had written notice of and ratified each transaction which is the subject hereof; Claimant is barred from any recovery against Respondents by the doctrines of waiver, ratification, and acquiescence; Claimant is estopped by her own conduct from asserting the claims alleged in the Statement of Claim; and Claimant failed to exercise reasonable or ordinary care, caution, or prudence with respect to the unsolicited transactions which are the subject hereof, thereby barring her from obtaining any recovery herein.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$26,981.25, together with interest, costs, reasonable attorneys' fees, and punitive damages as the Panel deems appropriate under the circumstances.

Ehrenkrantz and Grossman requested that the Statement of Claim be denied and that the costs of these proceedings, together with attorneys' fees, be charged against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

On October 16, 2000, Claimant and Gruntal executed a Mutual Release, wherein they released any and all claims against each other that have been or could have been asserted in this proceeding.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

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

1. Ehrenkrantz and Grossman be and hereby are jointly and severally liable for and shall pay to Claimant the sum of \$12,350.00 as compensatory damages.
2. Claimant's request for punitive damages is hereby denied.

3. Ehrenkrantz and Grossman be and hereby are jointly and severally liable for and shall pay to Claimant the sum of \$150.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution, Inc.
4. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 150.00
--------------------------	-------------

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. In this matter, Ehrenkrantz King Nussbaum, Inc. and Gruntal & Co., L.L.C. are parties.

Ehrenkrantz King Nussbaum, Inc.

Member surcharge	= \$ 600.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,000.00

Gruntal & Co., L.L.C.

Member surcharge	= \$ 600.00
Pre-hearing process fee	= \$ 600.00

Adjournment Fees

Adjournments requested during these proceedings:

December 5, 6 & 7, 2000, adjournment by Claimant	= WAIVED
--	----------

Forum Fees and Assessments

The Arbitrator assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00	= \$ 900.00
Pre-hearing conferences: September 11, 2000	1 session
November 29, 2000	1 session
Two (2) Hearing sessions x \$450.00	= \$ 900.00
Hearing Date: February 14, 2001	2 sessions
Total Forum Fees	= \$1,800.00

1. The Arbitrator has assessed \$450.00 of the forum fees against Claimant.
2. The Arbitrator has assessed \$1,350.00 of the forum fees jointly and severally against Ehrenkrantz and Grossman.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 150.00
Forum Fees	= \$ 450.00
Total Fees	= \$ 600.00
Less payments	= \$ 600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

As stated in the "Award" section above, Ehrenkrantz and Grossman are jointly and severally liable and shall reimburse Claimant for the \$150.00 filing fee.

2. Ehrenkrantz be and hereby is solely liable for:

Member Fees	= \$2,200.00
Total Fees	= \$2,200.00
Less payments	= \$2,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00
3. Gruntal be and hereby is solely liable for:

Member Fees	= \$1,200.00
Total Fees	= \$1,200.00
Less payments	= \$1,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

NASD Dispute Resolution, Inc.
Arbitration No. 00-00714
Award Page 5

4. Ehrenkrantz and Grossman be and hereby are jointly and severally liable for:

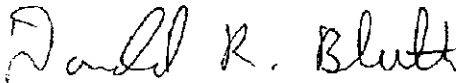
<u>Forum Fees</u>	= \$1,350.00
<u>Total Fees</u>	= \$1,350.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$1,350.00

All balances are due and payable to NASD Dispute Resolution, Inc.

NASD Dispute Resolution, Inc.
Arbitration No. 00-00714
Award Page 6

Arbitrator's Signature

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Donald R. Bluth
Public Arbitrator

Signature Date

March 22, 2001

Date of Service (For NASD office use only)