

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

John Vazzano, (Claimant) vs. Gruntal & Co., L.L.C., Barry Baum, and Joseph Fedorko,
(Respondents)

Case Number: 00-04383

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, John Vazzano, hereinafter referred to as "Claimant": Thomas J. Hanrahan, Esq., a sole practitioner, Glen Rock, NY.

Respondents, Gruntal & Co., L.L.C. ("Gruntal") and Barry Baum ("Baum"): Michele Goldmeer, Esq., Assistant General Counsel, Gruntal & Co., L.L.C., New York, NY.

Respondent, Joseph Fedorko ("Fedorko"): Michael P. Gilmore, Esq., Sims Moss Kline & Davis LLP, Mineola, NY (previously with the law firm of Wexler & Burkhart, P.C., Mitchel Field, NY).

CASE INFORMATION

Statement of Claim filed on or about: September 29, 2000.

Response to Counterclaim filed by Claimant on or about: December 29, 2000.

Response to Amended Counterclaim filed by Claimant on or about: March 27, 2001.

Claimant signed the Uniform Submission Agreement: September 25, 2000.

Statement of Answer and Counterclaim filed by Gruntal and Baum on or about: December 20, 2000.

Amended Statement of Answer and Counterclaim filed by Gruntal and Baum on or about: March 14, 2001.

Gruntal signed the Uniform Submission Agreement.

Baum signed the Uniform Submission Agreement: December 18, 2000.

Statement of Answer filed by Fedorko on or about: November 30, 2000.

Fedorko did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trades; refusal to execute sell order; failure to follow Claimant's investment objectives; and inaccurate information listed on Claimant's new account card. Claimant's claim involved the stocks of RSL Communications, Oxford Health Plans, International Fibercon, Inc., New Wave Coffee & Bagels, and Paradigm Medical.

Unless specifically admitted in their Answer and Amended Answer, Gruntal and Baum 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; any losses allegedly suffered by Claimant were caused by Claimant's own decisions and by market conditions outside of the control of Gruntal and were not caused by actions of Gruntal; Claimant expressly assumed the risk of his alleged damages or losses in entering into the transactions complained of; Claimant is barred from any recovery because he had written notice of and ratified each transaction complained of and upon which recovery is sought; Claimant is barred from any recovery by the doctrines of waiver, ratification, and acquiescence; Claimant is estopped by his own conduct from asserting the claims alleged in the Statement of Claim; Claimant failed to take reasonable steps to mitigate the alleged damages or losses suffered; Claimant failed to exercise reasonable or ordinary care, caution, or prudence with respect to the matters alleged in the Statement of Claim; and Claimant has no viable claim for punitive damages, costs, and attorneys' fees.

In their Counterclaim, Gruntal and Baum asserted the following cause of action: Claimant has failed to pay the margin debt and accruing interest in his account.

Unless specifically admitted in his Responses, Claimant denied the allegations made in the Counterclaim and Amended Counterclaim.

Unless specifically admitted in his Answer, Fedorko denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant has failed to state a claim against Fedorko for which relief may be granted; this arbitration is barred by the applicable statute of limitations; Claimant, with full knowledge of all material facts concerning the relevant securities accounts, waived the alleged claims set forth in the Statement of Claim and the alleged damage resulting therefrom by failing to take timely and appropriate action prior to incurring such damage; Fedorko, in discharging his duties, if any, to Claimant acted in good faith and exercised at least that degree of care, diligence, and skill which ordinarily prudent persons would exercise in similar circumstances and like positions; the Statement of Claim does not adequately set forth any specific rule violations of the NASD, Inc., or any state or federal laws which are the proximate cause of Claimant's alleged losses, nor does the

Statement of Claim state the wrongs or the circumstances of the wrongs complained of so that Fedorko has adequate and meaningful notice of the Claim; Claimant is barred from seeking any recovery by his own unclean hands; and the Claims are barred by the defense of ratification in that Claimant received notice of all transactions and by his conduct and words agreed to accept all transactions in the accounts.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$97,489.00, plus interest, costs, and punitive damages.

Gruntal and Baum requested that Claimant's Statement of Claim be denied in its entirety as against them, and that the complaint against Baum be expunged in its entirety.

In their Counterclaim, Gruntal and Baum requested compensatory damages in the amount of \$34,348.71, plus interest at the rate of 9% and all forum fees, costs, expenses, and attorneys' fees.

Fedorko requested that all of the causes of action for relief set forth in the Statement of Claim be denied in their entirety, that he be awarded the costs associated with this proceeding, and that the Panel issue an order expunging any reference to this arbitration from his securities industry records.

OTHER ISSUES CONSIDERED AND DECIDED

Fedorko did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

During the hearings in this matter, the Panel allowed Claimant to make a verbal amendment to his Statement of Claim increasing the compensatory damages sought to \$158,000.00, and withdrawing all claims relative to the stocks of Oxford Health Plans and New Wave Coffee & Bagels.

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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are hereby dismissed in their entirety.
2. Gruntal and Baum's Counterclaims are hereby dismissed in their entirety.
3. Upon confirmation of this Award by a court of competent jurisdiction, NASD Regulation, Inc. shall expunge all references to this arbitration from the permanent CRD records of Respondent Baum.
4. Fedorko's request for expungement is hereby denied.
5. Gruntal be and hereby is solely liable for and shall pay to Claimant the sum of \$112.50, to reimburse Claimant for one half of the filing fee previously paid to NASD Dispute Resolution, Inc.
6. Fedorko be and hereby is solely liable for and shall pay to Claimant the sum of \$112.50, to reimburse Claimant for one half of the filing fee previously paid to NASD Dispute Resolution, Inc.
7. 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	= \$ 225.00
Counterclaim filing fee	= \$1,000.00

Member Fees

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

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: June 1, 2001	1 session

Two (2) Pre-hearing sessions with Panel x \$1,125.00	= \$2,250.00
Pre-hearing conferences: March 7, 2001	1 session
July 2, 2001	1 session

Four (4) Hearing sessions x \$1,125.00	= \$4,500.00
Hearing Dates: July 9, 2001	2 sessions
July 12, 2001	2 sessions

Total Forum Fees	= \$7,200.00
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1. The Panel has assessed \$3,600.00 of the forum fees against Gruntal.
2. The Panel has assessed \$3,600.00 of the forum fees against Fedorko.

Fee Summary

1. Claimant be and hereby is solely liable for:	
Initial Filing Fee	= \$ 225.00
Total Fees	= \$ 225.00
Less payments	= \$1,725.00
Refund Due Claimant	= \$1,500.00

As stated in the "Award" section above, Gruntal and Fedorko are each liable and shall reimburse Claimant for one half of the filing fee, in the amount of \$112.50 each.

2. Gruntal be and hereby is solely liable for:

Member Fees	= \$3,100.00
Forum Fees	= \$3,600.00
Total Fees	= \$6,700.00
Less payments	= \$4,700.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,000.00

3. Gruntal and Baum be and hereby are jointly and severally liable for:

Counterclaim Filing Fee	= \$1,000.00
Total Fees	= \$1,000.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,000.00

4. Fedorko be and hereby is solely liable for:

Forum Fees	= \$3,600.00
Total Fees	= \$3,600.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,600.00

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

ARBITRATION PANEL

Irene C. Warshauer, Esq.	-	Public Arbitrator, Presiding Chair
Eugene S. Ginsberg, Esq.	-	Public Arbitrator
Salvatore Saladini	-	Industry Arbitrator

Concurring Arbitrators' Signatures

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.



Irene C. Warshauer, Esq.
Public Arbitrator, Presiding Chair

8/2/01
Signature Date

Eugene S. Ginsberg, Esq.
Public Arbitrator

Signature Date

Salvatore Saladini
Industry Arbitrator

Signature Date

August 10, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

Irene C. Warshauer, Esq.	-	Public Arbitrator, Presiding Chair
Eugene S. Ginsberg, Esq.	-	Public Arbitrator
Salvatore Saladini	-	Industry Arbitrator

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Irene C. Warshauer, Esq.
Public Arbitrator, Presiding Chair


Eugene S. Ginsberg, Esq.
Public Arbitrator

Signature Date

8/6/01

Signature Date

Salvatore Saladini
Industry Arbitrator

Signature Date

August 10, 2001

Date of Service (For NASD office use only)

ARBITRATION PANEL

Irene C. Warshauer, Esq.	-	Public Arbitrator, Presiding Chair
Eugene S. Ginsberg, Esq.	-	Public Arbitrator
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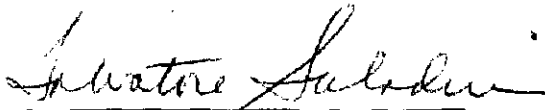
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Irene C. Warshauer, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Eugene S. Ginsberg, Esq.
Public Arbitrator

Signature Date


Salvatore Saladini
Industry Arbitrator

8-3-01
Signature Date

August 10, 2001

Date of Service (For NASD office use only)