

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Fred Rabasca Trust (Claimant) v. Larry C. Wolfe, The GMS Group, LLC, and Gruntal & Co. (Respondents)

Case Number: 01-01860

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Member and Associated Person

REPRESENTATION OF PARTIES

Claimant Fred Rabasca Trust ("Rabasca") hereinafter referred to as "Claimant": Stephen H. Weiner, Esq., Law Office of Stephen H. Weiner, New York, NY.

Respondent Larry C. Wolfe ("Wolfe"): Daniel S. Newman, Esq., Tew Cardenas-Rebak Kellogg Lehman DeMaria Tague Raymond & Levine, L.L.P., Miami, FL.

Respondent The GMS Group, LLC ("GMS"): David W. Schmidt, Esq., Lubiner & Schmidt, Cranford, NJ. Previously represented by: Michele Goldmeer, Esq., Ryan Beck & Co., LLC, Scarsdale, NY and Donald N. Cohen, Esq., Ryan Beck & Co., LLC, New York, NY.

Respondent Gruntal & Co. ("Gruntal"): Donald N. Cohen, Esq., Ryan Beck & Co., LLC, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: April 12, 2001.

Claimant's Reply in Opposition to Respondent Gruntal's Motion to Dismiss filed on or about: August 6, 2001.

Claimant signed the Uniform Submission Agreement: April 11, 2001.

Statement of Answer filed by Wolfe on or about: July 10, 2001.

Wolfe signed the Uniform Submission Agreement: July 31, 2001.

Joint Motion to Dismiss and Statement of Answer by GMS and Gruntal filed on or about: July 5, 2001.

Joint Reply of GMS and Gruntal to Claimant's Opposition to Motion to Dismiss filed on or about: September 5, 2001.

Gruntal signed the Uniform Submission Agreement: July 24, 2001.

GMS signed the Uniform Submission Agreement: July 20, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trading; unsuitability; churning; misrepresentation; and failure to supervise. Claimant's claims involved Argentine Bonds; shares of Banco de Galicia; shares of Asian Pulp and Paper Company Global Finance III.

Unless specifically admitted in his Answer, Wolfe denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in their Motion to Dismiss and Answer, GMS and Gruntal denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested reimbursement for his losses in an amount no less than \$178,000.00 plus interest; punitive damages in an amount of \$100,000.00; reasonable attorneys' fees and costs incurred; and such other relief deemed as necessary and proper.

In his Reply in Opposition to GMS' and Gruntal's Motion to Dismiss, Claimant requested that the Panel deny Gruntal's and GMS' Motion to Dismiss, dismiss Gruntal's and GMS' Affirmative Defenses, and grant such other relief to the Claimant as the Panel deems to be necessary and proper.

In his Answer, Wolfe requested that the Panel enter an award (i) dismissing the claims herein; (ii) awarding him the costs of this proceeding, including all hearing fees and reasonable attorneys' fees; and (iii) awarding such other and further relief as this Panel deems just and proper.

In their Motion to Dismiss and Answer, Gruntal and GMS requested that the Panel grant Gruntal's Motion to Dismiss, dismiss with prejudice the Statement of Claim against Gruntal and GMS, award them their costs for defending this claim, and for other such relief that the Arbitration Panel deems fair and equitable.

In their Reply to Claimant's Opposition to the Motion to Dismiss, Gruntal and GMS requested that the Panel grant Gruntal's Motion to Dismiss, dismiss with prejudice the Statement of Claim against Gruntal and GMS, award them their costs for defending this claim, and for other such relief that the Arbitration Panel deems fair and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

In a letter dated January 29, 2003, Claimant notified NASD Dispute Resolution that all claims against Respondent Wolfe were dismissed with prejudice.

On or about October 29, 2002 Gruntal filed for bankruptcy in the United States District Court for the Southern District of New York. Accordingly, all claims against Gruntal were stayed.

The Panel denied the Motion to Dismiss filed by GMS and Gruntal.

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, and 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 denied in their entirety.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$300.00
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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. Accordingly, GMS Group, LLC is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

August 5, 6, and 7, 2003 and September 30, 2003, adjournment by Claimant	= Waived
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Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 Panel @ \$1,125.00 = \$1,125.00
Pre-hearing conference: April 1, 2002 1 session

Five (5) Hearing sessions @ \$1,125.00 = \$5,625.00
Hearing Dates: November 10, 2003 2 sessions
November 11, 2003 2 sessions
November 12, 2003 1 session

Total Forum Fees = \$6,750.00

1. The Panel has assessed \$3,375.00 of the forum fees against Claimant.
2. The Panel has assessed \$3,375.00 of the forum fees against GMS.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$3,375.00
Total Fees	= \$3,675.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$2,250.00

2. GMS is solely liable for:

Member Fees	= \$4,600.00
Forum Fees	= \$3,375.00
Total Fees	= \$7,975.00
Less payments	= \$5,988.76
Balance Due NASD Dispute Resolution	= \$1,986.24

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

James Newton Nash, Esq.	-	Public Arbitrator, Presiding Chair
James M. Nevler	-	Public Arbitrator
Michael T. Curley	-	Non-Public 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.



James Newton Nash, Esq.
Public Arbitrator, Presiding Chairperson

Nov. 14, 2003

Signature Date

James M. Nevler
Public Arbitrator

Signature Date

Michael T. Curley
Non-Public Arbitrator

Signature Date

December 3, 2003
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

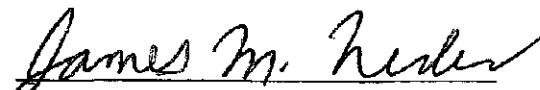
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James Newton Nash, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


James M. Nevler
Public Arbitrator

11-18-2003
Signature Date

Michael T. Curley
Non-Public Arbitrator

Signature Date

December 3, 2003
Date of Service (For NASD Dispute Resolution use only)

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James Newton Nash, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

James M. Nevler
Public Arbitrator

Signature Date

Michael T. Curley
Michael T. Curley
Non-Public Arbitrator

12/3/03
Signature Date

December 3, 2003
Date of Service (For NASD Dispute Resolution use only)