

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Paul R. Carr  
Martha A. Carr

Case #89-02921  
Award

vs.

Name of Respondent(s)

Gruntal & Co., Inc.  
Gary A. King

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Case Summary

The Statement of Claim was filed on July 18, 1989.

Claimants, Paul R. Carr & Martha A. Carr alleged that Respondents, Gruntal & Co., Inc. and Gary A. King were negligent in the handling of Claimants' account, violated the N.A.S.D. Rules of Fair Practice by recommending unsuitable purchases of annuity contracts by the use of fraudulent devices and misleading statements causing Claimants substantial losses. Claimants also alleged that Gruntal & Co., Inc. failed to properly supervise Gary A. King in the handling of Claimants' account while in its employ.

Respondents, Gruntal and Co., Inc. and Gary A. King maintained that the value of Claimants' portfolio increased significantly during the period that King serviced Claimants' account prior to March of 1987, that the initial investment decision was suitable to Claimants' objectives and authorized by Claimants after being fully informed of the investment product.

Relief Requested

Claimants, requested an award in the amount of \$100,000.00 plus interest and attorney's fees.

Respondents requested that all claims brought by the Claimants against them be dismissed and that costs of this proceeding be assessed against Claimants.

Award

On July 31, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimants, on October 18, 1989. The hearing was held in Pittsburgh.

Pennsylvania and consisted of two sessions (2). The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimants, Paul R. and Martha Ann Carr, are hereby dismissed in all respects.

2. The parties shall each bear their respective costs, including attorneys' fees.

3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimants.

4. Respondents Gruntal & Co., Inc. and Gary A. King are jointly and severally assessed forum fees in the amount of \$500.00 payable to the NASD, Inc. through its administrator in accordance with Section 43 of the Code of Arbitration Procedure.

Arbitrator Concurring

  
A. Ralph Ellis

Dated: September 20, 1990

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Arbitrator Concurring

  
Thomas D. Cramer

Dated: September 20, 1990

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Arbitrator Concurring



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William O. Schach

Dated: September 20, 1990