

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)

Lawrence C. Rabinowitz custodian Dayna  
R. Rabinowitz

90-00758

Name of Respondent(s)

Gruntal & Co., Inc.  
Norman Raymond

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CASE SUMMARY

Claimant, Lawrence Rabinowitz, alleged that Respondent, Norman Raymond, recommended he place \$80,000.00 of funds held as custodian for his daughter, in the "Hits Trust #7" managed by Drexel Burnham Lambert, Inc. as a safe investment which had a high rate of return. Claimant contended that this was an unsuitable investment for a child of his daughter's age.

Respondents, Gruntal & Co., Incorporated and Norman Raymond, denied all allegations in Claimant's claim. They maintained that Claimant had several active securities accounts during this period of time and was a sophisticated and knowledgeable investor. Respondents further asserted that Claimant told Mr. Raymond he wanted to place the funds in the custodian account into a high-income instrument. Respondents also asserted that Mr. Raymond never characterized the "Hits Trust #7" as a "safe" investment and that Mr. Rabinowitz was given a prospectus and asked to review its contents. Finally, Respondents averred that Claimant closed this account long before this particular investment declined and as a result, Respondent was unable to monitor the account investments or make any further recommendations.

RELIEF REQUESTED

Claimant, Lawrence Rabinowitz, requested alleged damages in the amount of \$23,000.00.

Respondents, Gruntal & Co., Incorporated and Norman Raymond, requested that Claimant's claim be dismissed in its entirety, plus costs and expenses.

AWARD

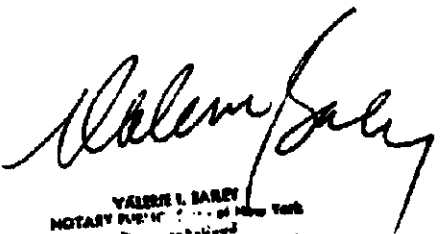
On August 28, 1990, the undersigned arbitrator heard the controversy between

the parties as set forth in submissions to arbitration signed by the Claimant, Lawrence Rabinowitz, on March 8, 1990, and by the Respondents, Gruntal & Co., Incorporated on May 15, 1990, and Norman Raymond, on July 9, 1990. The hearing was held in New York City at the NASD, Inc. and consisted of 1 hearing session. 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 claim by the Claimant, Lawrence Rabinowitz, hereby is 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 \$400.00 filing fee previously deposited by the Claimant.
4. Claimant is assessed forum fees in the amount of \$400.00 in accordance with Section 43 of the Code of Arbitration Procedure. Claimant's \$400.00 filing fee shall be used to offset the payment of the forum fee.

Arbitrator(s) Signature

  
Dorothy F. Gray

  
VALERIE L. BARRY  
NOTARY PUBLIC, State of New York  
No. 123456789  
Qualified in Kings County  
Commission Expires July 14, 1991

DATED: September 5th, 1990