

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Raymond and Regina Kohl :

Claimants :

vs. :

Gruntal & Company, Inc. :

Joel M. Seidel :

Respondents :

CASE #91-00490
AWARD

CASE SUMMARY

Raymond and Regina Kohl by their attorney Alice J. Tillger of Dessen, Moses & Sheinoff, Philadelphia, PA, in a claim filed with the National Association of Securities Dealers, Inc. on February 13, 1991, alleged that their former broker at Gruntal & Company, Joel M. Seidel, represented that if Claimants would purchase Peerless Tube stock by January 16, 1990, he (Seidel) would be responsible for any loss sustained by its sale on or before July 15, 1990. Claimants assert that the Respondent should be liable for the misleading statements that caused them to purchase Peerless Tube stock which has declined in value.

Respondent, Gruntal & Company, Inc. by its attorney Katherine Nathan, New York, NY, maintained that Joel Seidel's "guarantee" was a violation of both firm and securities rules and was not sanctioned by the company. They affirm that Claimants should have mitigated their damages by selling the stock rather than holding it for further depreciation. Gruntal & Company, Inc. filed an indemnification cross claim against Respondent Joel Seidel.

Joel M. Seidel represented by Arthur Jackson, Philadelphia, PA, maintained that he was ill at the time of the dispute and subsequently suffered a nervous breakdown. Mr. Seidel asserts that Claimants, as experienced investors, should have been alerted by his "guarantee" of responsibility and should have inquired as to why such a procedure was employed. He continues that since the stock was not sold prior to July 15th he should not be held responsible as it is now clearly outside the time frame indicated by him to the Claimants.

RELIEF REQUESTED

Claimants request Two Thousand Five Hundred Sixty-One Dollars and Sixty-Seven Cents (\$2,561.67) plus interest and reasonable attorney's fees.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Robert F. Sanville, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on February 7, 1991 and by the Respondents on May 15, 1991 and April 26, 1991, respectively;

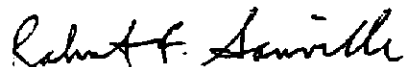
And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. That Respondent Gruntal & Company, Inc. is liable and shall pay to the Claimants Raymond and Regina Kohl the sum of Three Thousand Six Hundred Sixty-One Dollars and Sixty-Seven Cents (\$3,661.67) representing principal damages, interest and Five Hundred Dollars (\$500) in attorney's fees.
2. That the indemnification cross claim asserted by Gruntal & Company, Inc. against Joel M. Seidel is upheld in the amount of One Thousand Nine Hundred Eleven Dollars and Sixty-Seven Cents (\$1,911.67) plus attorney's fees of Two Hundred Fifty Dollars (\$250) for a total of Two Thousand One Hundred Sixty-One Dollars and Sixty-Seven Cents (\$2,161.67) payable by Joel M. Seidel to Gruntal & Company, Inc.
3. That the Claimants are required, upon receipt of the Three Thousand Six Hundred Sixty-One Dollars and Sixty-Seven Cents (\$3,661.67), to relinquish five hundred (500) shares of Peerless Tube, Co., common stock, in negotiable form to Respondent Gruntal & Company, Inc.

4. The One Hundred Twenty-Five Dollar (\$125) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. and is assessed jointly and severally against Gruntal & Co., Inc. and Joel M. Seidel who shall pay One Hundred Twenty-Five Dollars (\$125) to Raymond and Regina Kohl.

AFFIRMATION

I, ROBERT F. SANVILLE, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATED: October 9, 1991