

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4389

In the Matter of the Arbitration Between

Name of Claimant(s)

Irene P. Alterbaum

91-01917

Name of Respondent(s)

Gruntal & Co., Inc.
Jacob Meyrowitz

REPRESENTATION

For Claimant: Stephen G. Rinehart, Esq. of Parker, Chapin, Flattau & Klimpl

For Respondents: David S. Gorobetz, Esq. of Gruntal & Co., Inc.

CASE INFORMATION

Statement of Claim filed on: June 14, 1991.

Claimant's Submission Agreement signed on: May 8, 1991.

Joint Statement of Answer filed by Respondents, Gruntal & Co., Inc. and Jacob Meyrowitz on: August 21, 1991.

Respondent, Gruntal & Co., Inc.'s Submission Agreement signed on: August 21, 1991.

Respondent, Jacob Meyrowitz's Submission Agreement signed on: August 21, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: August 19, 1992 - Two Sessions.
August 20, 1992 - Two Sessions.
October 1, 1992, - Two Sessions.

Hearing Location: NASD Offices - New York City, NY.

CASE SUMMARY

Claimant, alleged that after her husband's death she opened an account with the Respondent, Jacob Meyrowitz ("Meyrowitz") at Respondent, Gruntal & Co., Inc. ("Gruntal"). Claimant alleged that she told Meyrowitz that her

principal investment objective was safety. Claimant alleged that Meyrowitz knew that she was an unsophisticated investor and told her that he would take a special interest in her account. Claimant alleged that Meyrowitz had "de-facto control" over her accounts since she deferred all decision making to him.

Claimant alleged that contrary to her stated investment objectives, Meyrowitz invested her funds almost entirely in junk bonds. Claimant alleged that Respondent did not disclose the risks of these investments to her. Claimant alleged that as a result of the Respondents' actions and the trust she placed in Meyrowitz to handle her affairs, she suffered losses in her account.

Respondents maintained that overall, Claimant's is account at Gruntal had an overall profit. Respondents maintained that Claimant's financial sophistication grew over the course of the account. Respondents maintained that certain transactions complained of occurred prior to the 6 year time eligibility requirement.

Respondents maintained that all the transactions that occurred in Claimant's account were done with her prior approval. Respondents maintained that each transaction, including the risks were explained to the Claimant.

RELIEF REQUESTED

Claimant requested: damages in the amount of \$90,000.00 plus interest; that Meyrowitz and Gruntal be ordered to indemnify Claimant for all amounts she may be required to pay to Home Insurance Company; punitive damages; costs, including filing and hearing fees.

Respondents requested that the Claim be dismissed in its entirety.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The Claim is hereby denied in its entirety, including all motions.
2. Each party shall bear their respective costs of this action.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

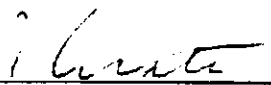
Non-Refundable Filing Fee: \$150.00
Hearing Session Fees: \$3,000.00 (6 Sessions x \$500.00)

1. All forum fees are hereby assessed the Claimant in the amount of \$3,150.00. Claimant is entitled to offset this amount with the \$650.00 previously deposited with the NASD. Therefore, Claimant is directed to pay to the NASD, Inc. the balance of \$2,500.00 (Two Thousand Five Hundred Dollars and no cents).

Concurring Arbitrators' Signatures

Name

Public Chairperson



Joseph J. Arata, Esq.

Executed on
~~Date of Decision~~

Nov 2, 1992

Date of Decision:--November 4, 1992

STATE OF NEW YORK S a.:
COUNTY OF S

On this day of , 1992, before me
personally
appeared Joseph J. Arata known and known to me to be the
individual described in and who executed the foregoing instrument
and be duly acknowledged to me that he/she executed the same.

John J. Hopkins

JOHN J. HOPKINS
Notary Public for the State of New York
No. 41111, 1990
Qualified in Ontario County
Certificate filed in New York County
Commission Expires 5-31-93

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Concurring Arbitrators' Signatures
Name

Public Panelist


Anne Cugliani

Date of Decision: November 4, 1992

STATE OF
COUNTY OF

New York
New York

s

.a.:

On this *4th* day of *November*, 19*92*, before me personally appeared Anne Cugliani known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same.

Mark O. Glut

MARK O. GLUT
Notary Public, State of New York
No. 4995193
Qualified in Queens County
Commission Expires April 20, 19*94*

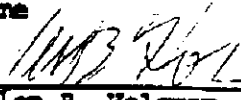
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Concurring Arbitrators' Signatures

Name

Industry


Allen B. Holman

Date of Decision: November 4, 1992

STATE OF FLORIDA
COUNTY OF BROWARD.

§

.a.:

On this 2nd day of November, 1992, before me personally Allen B. Holeman appeared Allen B. Holeman known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he ~~she~~ executed the same.

Allen B. Holeman

NOTARY PUBLIC, STATE OF FLORIDA
My Commission Expires 12/31/93
ALLEN B. HOLEMAN, Not. Pub.