

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant:

Mark Rolnik

91-02085

Name of Respondents:

GRN Securities Corp.
William Steven Klein

REPRESENTATION

For Claimant: Daniel A. Eigerman, Esq. of Horner & Isaacs, P.C.

For Respondent GRN Securities Corp. ("GRN"): Andrea Goldman, Esq., in house counsel at GRN.

For Respondent William Steven Klein ("Klein"): no attorney of record.

CASE INFORMATION

Claimant filed a Statement of Claim on July 2, 1991 and executed a Submission Agreement on June 27, 1991. Claimant filed a Motion to Bar Respondent Klein from presenting any arguments or defenses at the hearing.

Respondent GRN filed a Statement of Answer and executed a Submission Agreement on October 3, 1991.

Respondent Klein did not file a Statement of Answer nor execute a Submission Agreement as required by Section 1 of the NASD Code of Arbitration Procedure ("Code").

HEARING INFORMATION

Pre-Hearing Conference: None.

Hearing Date/Sessions: February 12, 1992 - one session.

Hearing Location: NASD Offices located in New York, New York.

CASE SUMMARY

Claimant alleged that on or about October 17, 1990, at the suggestion of Respondent GKN and its account executive, Respondent Klein, Claimant took a short position of 1,000 shares in Vista Chemical Company ("Vista"). Claimant further alleged that he had never before traded "short" in any security and did not realize the potential unlimited risk, nor did the Respondents advise him of this risk.

Claimant further alleged that on October 10, 1990, he sold short 1,000 shares of Vista at 19 1/8. Claimant further alleged that in November of 1990, when the price for Vista stock was approximately \$25.00/share, he contacted Respondent Klein and asked him to cover the short position by buying the requisite amount of Vista stock, but that he refused to do so. Claimant further alleged that Respondents did not cover his short position until December 20, 1990 at a price of 54 1/4, causing him a loss.

Respondent GKN maintained that Respondent Klein did in fact sell short 1,000 shares of Vista stock and that Claimant suffered a loss. However, Respondent GKN maintained that the Claimant had specified "trading" as an investment objective and that he was aware of the risks in maintaining a short position. Respondent GKN also maintained that Claimant had deposited four checks with GKN in December 1990 in part to maintain his short position.

RELIEF REQUESTED

Claimant requested compensatory damages of \$35,380.64 plus interest, and any other relief to be awarded by the arbitrators.

Respondent GKN requested dismissal of the claim.

OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.

At the hearing, the arbitration panel made the following rulings with regard to Respondent Klein:

In accordance with Section 1 of the Code, the panel ruled that it had jurisdiction over Respondent Klein.

In accordance with Section 25 of the Code, Respondent Klein was served with the Statement of Claim and given an opportunity to respond which he failed to do;

In accordance with Section 21 and 26 of the Code, Respondent Klein was given due notice of the hearing procedure by regular and certified mail and failed to appear at the hearing;

In accordance with Section 29 of the Code, the arbitration panel determined in light of the foregoing information to proceed with Respondent Klein as a party in his absence.

The arbitration panel dismissed Claimant's Motion to Bar Respondent from presenting any defenses as moot at the end of the hearing.

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. That Respondent GUN and Respondent Klein are liable jointly and severally and shall pay to the Claimant the sum of \$28,875.00 plus interest at the rate of 9% from December 20, 1990 to the date of payment of the award.
2. That each side is to bear its own costs, including attorney's fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD will retain the Claimant's \$400.00 hearing session deposit for forum fees.

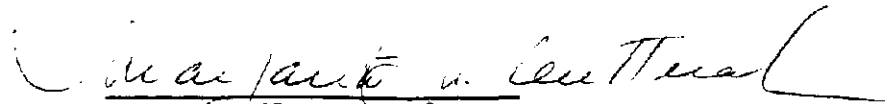
Page Four
Award No. 91-02085

The NASD will also retain the Claimant's \$120.00 nonrefundable claim filing fee.

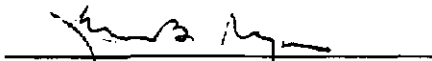
Concurring Arbitrators' Signatures:



Lawrence A. Pittors
Public Arbitrator/Chairperson



Margarita N. Lutteral, Esq.
Public Arbitrator



John B. Ryan
Industry Arbitrator

Date of Decision: February 18, 1992