

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Alice B. King

Claimant

vs.

Gruntal & Company  
Michael D. White

## Respondents

**CASE #91-03749**  
**AWARD**

## CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on November 27, 1991, Claimant Alice B. King, through her counsel, Jeffrey S. Salisbury, Esq., alleged that Respondents Gruntal & Company and Michael D. White recommended to her that she retain Anderson Capital Management to advise her account on a discretionary basis, which was not for her benefit, but to raise high commissions, and that her whole account was sold out in a single trading day and within two weeks new, commissionable securities were bought into the account. These securities did not meet her investment objective of safety. The Claimant contended she also suffered market losses due to the respondents' conduct, and that she should be compensated for these losses.

Respondents Gruntal & Company and Michael D. White, in a joint Statement of Answer, through their counsel David Gorobetz, maintained that the Claimant agreed to change the emphasis on her account from growth and income to primarily income, upon Respondent Michael D. White's suggestion and that she signed a trading authorization which states that she agrees to hold Gruntal & Co. harmless from any losses she might incur. Respondents also included in their answer a letter from Anderson Capital Management explaining that had she held the investment, it would have proved profitable.

RELIEF REQUESTED

Claimant Alice B. King requested \$10,000.00 in actual damages plus interest and costs.

Respondents Gruntal & Co. and Michael White requested the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Neil Bardack, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on November 20, 1991 and by the Respondents in January 1992 (date unspecified).

And, 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. Respondents Gruntal & Company and Michael D. White are jointly and severally liable and shall pay to Claimant Alice B. King \$5,959.31 in actual damages.
2. The Claimant's request for interest is denied.
3. The parties shall bear their respective costs and attorney's fees.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondents Gruntal & Company and Michael D. White are jointly and severally liable and shall pay \$150.00 to the Claimant as reimbursement.

AFFIRMATION

I, NEIL BARDACK, ESQ., 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

DATE OF DECISION: January 6, 1993