

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Gerald Gordon

92-01873

Name of Respondent s

Gruntal & Co., Inc.
Gideon Evans

REPRESENTATION

For Claimant: Gerald Gordon appearing *pro se*.

For Respondents: Eric S. Hutner, Esq. of Gruntal & Co., Inc.

CASE INFORMATION

Statement of Claim filed: June 3, 1992

Claimant's Submission Agreement signed on: May 27, 1992

Reply to Statement of Answer filed on: August 13, 1992.

Joint Statement of Answer filed by Respondents, Gideon Evans and Gruntal & Co. Inc. on: July 31, 1992.

Respondent, Gideon Evans' Submission Agreement signed on: August 18, 1992.

Respondent, Gruntal & Co., Inc's Submission Agreement signed on: July 31, 1992.

HEARING INFORMATION

Pre-hearing Conference: February 3, 1993

Hearing Date/Sessions: June 3, 1993/Two sessions

Hearing Location: NASD offices located in New York City.

CASE SUMMARY

Claimant alleges that a broker with Respondent, Gruntal & Co., Inc. ("Gruntal") informed him that there was a customer who wished to sell zero certificates of deposits ("CD's"). Claimant alleges that the broker assured Claimant the CD's were like all other CD's and that Claimant would receive the principal and interest quoted even if the bank failed. Claimant alleges that the confirmation slips for the CD's do not show an original issue discount. Claimant further alleges that he didn't receive the full amount when the CD's were redeemed. Claimant alleges that if the broker did not know such a loss could occur, it was an error or omission and if he did know this was possible, he did not fully disclose this fact to the Claimant.

Respondents maintain that Claimant is a sophisticated investor who knew that he was buying zero coupon CD's in the secondary market and that he would not receive the yield quoted unless he held the CD's to maturity. Respondents also maintain that Claimant erred in making his calculations.

In reply to Respondents Statement of Answer, Claimant admits that the arithmetic in the Statement of Claim is possibly incorrect. Claimant further alleges that he was not told he was paying a premium for the CD and also alleges that he was advised to make an investment that was unsuitable for his account.

RELIEF REQUESTED

Claimant requested an award in the amount of \$3,138.00 plus interest and tax in the amount of \$1,617.00.

Respondents requested that the claim be dismissed in its entirety and that they be awarded costs and attorneys' fees in the amount of \$1,000.

AWARD

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

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- a) All claims are hereby denied in their entirety.
- b) Each party shall bear their respective costs of this action, including attorneys' fees.

FORUM FEES

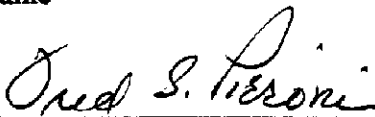
Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed.

| | |
|----------|--|
| \$50.00 | Non-refundable filing fee |
| \$100.00 | Pre-hearing conference |
| \$200.00 | Hearing session fees(Two sessions X \$100) |

- 1) Total forum fees in the amount of \$350.00 are hereby assessed against the Claimant. Claimant is entitled to offset this entire amount with the \$150.00 previously deposited with the NASD, Inc. Claimant is directed to pay the balance of \$200.00 to the NASD, Inc.

Arbitrator's Signature
Name

Public Chairperson


Fred S. Pieroni

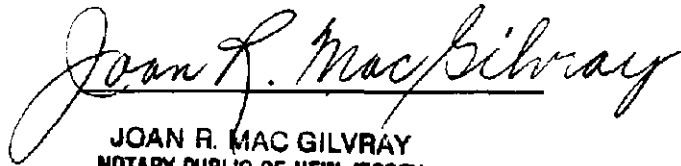
Date of Decision: July 16, 1993

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STATE OF NEW JERSEY
COUNTY OF BERGEN

S.S.:

On this 9th day of July, 1993, before me personally appeared
Fred S. Pieroni known to me to be the individual described in
and who executed the foregoing instrument and be duly acknow-
ledged to me that he executed the same.

A handwritten signature in cursive script, reading "Joan R. MacGilvray", written over a horizontal line.

JOAN R. MAC GILVRAY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 7, 1994