

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

C.G. Klein & J. Screen Co-Executors/
William D. Melton

92-02649

Name of Respondents

Gruntal & Co., Inc.
Solis Kaslow

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 7, 1992, C.G. Klein & J. Screen Co-Executors for William D. Melton, alleged that Respondent Gruntal & Co., Inc. and Solis Kaslow sold 2,000 shares of Healthsource stock, without any authority to do so after being notified of William Melton's death. The Claimants further alleged that they retained the firm of Merrill Lynch to liquidate all assets in the account, and that the Respondents never advised the Claimants or Merrill Lynch of the unauthorized sale of Healthsource, causing 2,000 shares to be sold that had to be bought in at a loss up on discovery of the unauthorized sale. The Claimants contended that due to the Respondents' wrongful action, the Claimants have realized a loss for which the Respondents should be held liable.

Respondents Gruntal & Co., Inc. and Solis Kaslow, through their in-house counsel, Eric S. Hunter, Esq., maintained that they were authorized to sell the Healthsource stock, and that the loss occurred when Merrill Lynch sold shares that had already been sold, meaning the Claimant ignored the trade confirmation and the two account statements they received afterward. The Respondents contended that the second sale should not have taken place and was a result of the Claimants' negligence or the negligence of their Merrill Lynch broker.

RELIEF REQUESTED

Claimants C.G. Klein & J. Screen Co-Executor for William D. Melton requested \$7,994.98 in actual damages.

Respondents Gruntal & Co., Inc. and Solis Kaslow requested that the claims of the Claimants be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Daniel E. Bivins, III, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on August 14, 1992, by the Respondent Gruntal & Co., Inc. on October 14, 1992 and by the Respondent Solis Kaslow on November 16, 1992.

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 & Co., Inc. and Solis Kaslow are jointly and severally liable and shall pay to Claimants C.G. Klein and J. Screen, Co-Executors/William D. Melton \$1,538.90 in actual damages, plus simple interest at the rate of 8% per annum from May 7, 1992 to the date of payment of the award.
2. The parties shall bear their respective costs, and attorney's fees.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. Respondents Gruntal & Co., Inc. and Solis Kaslow are jointly and severally liable and shall pay \$75.00 to the Claimants as reimbursement of one-half of the filing fee.

AFFIRMATION

I, DANIEL E. BIVINS, III, 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: Apr 11 27, 1993