

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Roslyn Silverman Trust, Roslyn Silverman
Samuel Silverman Trust, Samuel Silverman

93-00519

Name of Respondents

Gruntal & Co., Inc.
Moore Schley Cmeron & Co.
G.M.S. Group, Inc.

REPRESENTATION

For Claimants, Roslyn Silverman Trust, Roslyn Silverman, Samuel Silverman Trust, Samuel Silverman ("the Silvermans"): pro se.

For Respondent: Gruntal & Co. ("Gruntal") and G.M.S Group, Inc. ("G.M.S."): David R. Rappaport, Esq. of Gruntal & Co.

CASE INFORMATION

Statement of Claim filed: 2/11/93.

Claimant's Submission Agreement signed on: 2/8/93.

Respondents, Gruntal and G.M.S.'s, joint Statement of Answer filed: 5/6/93.

Respondent, Gruntal's Submission Agreement and Corporate Acknowledgment signed on: 4/26/93 by Robert Sablowsky on behalf of Gruntal.

Respondent, G.M.S., did not submit an executed Submission Agreement or Corporate Acknowledgment as required by Section 12 of the Code of Arbitration Procedure.

HEARING INFORMATION

On 9/27/93 in Fort Lauderdale, Florida, a pre-hearing conference lasting one (1) session was conducted via telephone.

On October 5, 1993, in Fort Lauderdale, Florida, a hearing lasting One (1) session was conducted.

CASE SUMMARY

Claimants alleged that Respondents failed to provide information which would indicate that the Lake Charles bonds that they purchased could be called except on the dates specified on the "buy" on confirmation slip. Claimants further alleged that Respondents failed to notify them that the IRS was investigating the tax exempt status of the Duval County bonds purchased for their account and that, therefore, Respondents are liable for damages sustained by Claimants.

Respondents denied all allegations of wrongdoing and maintained that Claimants were furnished all usual information on confirmation slips and that Claimants were never guaranteed that the bonds could not be called prior to the listed call or due dates. Respondents further stated that they had no reason to believe that the bond issue would be challenged by the IRS as to its tax exempt status and that the Duval County bonds were not included on any published lists of bonds issues being scrutinized by the IRS at the time Claimants purchased the bonds.

RELIEF REQUESTED

Claimants requested an award of damages in the amount of \$4,419.91 including punitive damages of \$1,000.00 plus potential losses on Duval not included.

Respondents requested dismissal of the Claim and that they be awarded costs, attorneys' fees and expenses.

OTHER ISSUES CONSIDERED & DECIDED

1. At the hearing, Respondents made a Motion to Dismiss pursuant to Section 15 of the Code of Arbitration Procedure. The arbitrator heard the Motion and the Response of Claimant and decided to reserve decision on the Motion.
2. The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD.

AWARD

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

1. Respondents, Gruntal and G.M.S., are found not liable and, therefore, all claims against them are hereby dismissed.
2. Claimants' request for punitive damages is hereby denied.
3. Respondents' request for costs, attorney's fees and expenses is hereby denied

OTHER COSTS

The parties shall each bear all costs incurred by them in connection with this proceeding including attorney's fees.

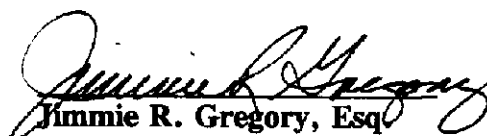
FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the arbitrator has assessed forum fees in the amount of \$200.00 (one (1) pre-hearing telephone conference X \$100.00 and one (1) hearing session X \$100.00.

1. Claimants are hereby assessed forum fees in the amount of \$200.00 for which the NASD shall retain the \$100.00 previously deposited in partial satisfaction thereof leaving a balance due to the NASD of \$100.00.
2. The NASD shall retain the non-refundable filing fee of \$50.00 paid by the Claimants.

Fees are payable to the National Association of Securities Dealers, Inc.

Arbitrator's Signature


Jimmie R. Gregory, Esq.
(Sole Public Arbitrator)

Date of Decision: November 11, 1993