

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of Arbitration Between

Name of Claimants

Richard and Ann Stonefield

vs.

Case #: 93-00602

Name of Respondent

Gruntal & Co.

REPRESENTATION

For Claimants, Richard and Ann Stonefield ("Claimants"), Evan Slavitt, Esq., from the law firm of Hinckley, Allen and Synder.

For Respondent, Gruntal & Co. ("Gruntal"), Emilia M. DeMeo, Esq., in-house counsel.

CASE INFORMATION

Statement of Claim was filed on February 18, 1993.

Claimant's Submission Agreement was signed on February 3, 1993.

Gruntal's Statement of Answer was filed on April 16, 1993.

Gruntal's Submission Agreement signed on April 16, 1993.

HEARING INFORMATION

Hearing Date/Sessions: October 20, 1993 - 2 sessions

Hearing Location: National Association of Securities Dealers, Inc.'s offices located at 260 Franklin Street, Boston, Massachusetts.

CASE SUMMARY

Claimants commenced this arbitration for damages as a result of alleged unauthorized by Respondent of 1,500 shares of Riddell Sports, Inc. at \$6 1/4 per share on or about September 16, 1992 in their account maintained in New York. Claimants alleged that as the stock declined in value, they were unable to meet margin calls and the shares were sold at 3 3/8 as well as their Meris Laboratories, Inc. stock.

Claimants also alleged that they are sophisticated investors who maintained several accounts with Respondent. They alleged that after George Cazzaza, the account executive employed by Respondent, recommended the purchase of Riddell, they authorized the purchase in their Boston account because they were too close to the margin limits in their New York account. Claimants state that they soon discovered that the trades were executed in their New York account without their authorization.

Respondent denied the allegations of unauthorized trades and denies the allegations of wrongdoing. Respondent maintained that with respect to the Riddell stock, Claimants authorized the "solicited" purchase of 1,500 shares for their New York account or as many shares as his margin could afford and then telephoned the account executive for his Boston account and placed an order to purchase 1,000 additional shares. Respondent also maintained that the claim of unauthorized trades was without merit.

RELIEF REQUESTED

Claimants requested and award of \$18,900.00, attorney's fees, costs and interest on the \$18,900.00.

Respondent requested that the claims be dismissed in their entirety.

AWARD

1. Respondent is hereby liable and shall pay Claimants **SEVEN THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$7,500.00)**.
2. All other claim for relief is denied.

FORUM FEES

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed against the Respondent.

Non-refundable Filing Fee: \$100.00
Hearing Session Fees: \$400.00 x 2 sessions = \$800.00.

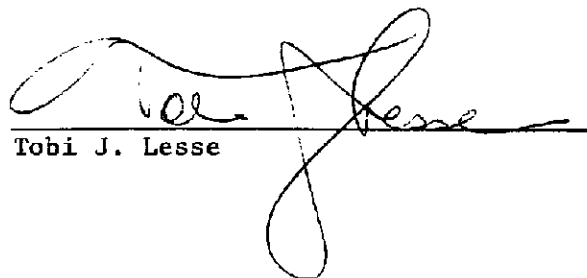
- 1) Claimants deposited \$500.00 and are entitled to a refund in that amount.
- 2) Gruntal shall satisfy the fees assessed by reimbursing Claimants \$500.00 and by remitting the balance \$400.00 to the NASD.

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

ARBITRATION PANEL

David Love, Esq.	-	Public Chairperson
John R. Thompson	-	Public Panelist
Tobi J. Lesse	-	Industry Panelist

Concurring Arbitrator's Signature


Tobi J. Lesse

Date of Decision December 7, 1993

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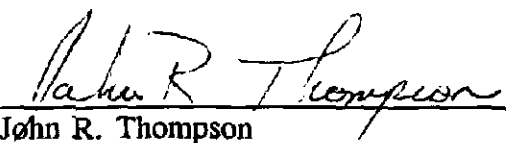
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