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**NATIONAL ASSOCIATION OF SECURITIES DEALERS
AWARD**

In the Matter of the Arbitration Between

Rodney Rush

Claimant,

v.

NASD No. 93-3310

Gruntal and Company, Inc. and
Mark Sitzler,

Respondents.

Representation

For Claimant: Robert Biegler, Esq. of Hefner, Stark & Marois, Sacramento, California

For Respondents: Emilia De Meo, Esq. of Gruntal & Company, New York, New York

Case Information

Statement of Claim filed: August 18, 1993

Claimant's Submission Agreement signed: October 18, 1993

Statement of Answer filed on: March 3, 1994

Respondents' Submission Agreement signed on: March 21, 1994

Hearing Information

Prehearing Conference Date(s)/Sessions: December 22, 1994/one, March 15, 1995/one

Hearing Date/Sessions: August 29/two, 30/two, 1995

Hearing Location: San Francisco, California

Case Summary

Claimant Rodney Rush (Rush) alleged that between January and December 1992 he invested a total of \$1,029,602 in the purchase of various unspecified securities (including Bitoech) through respondents, and at that time was an unsophisticated investor of which respondents were aware. Rush further alleged he informed respondents his objective was growth but the investments had to "maintain security" as they constituted his retirement funding. Claimant also maintained he was advised by respondents to invest in margin accounts and Biotech without being apprised of the risks.

Respondents denied all allegations of wrongdoing and alleged that Rush was an experienced and knowledgeable investor who was well aware of the risks inherent in his use of margin to purchase securities. Respondents further alleged that Rush told Mark Sitzler that his net worth was \$3.5 million and annual income was \$250,000, and never stated he was investing retirement funds. Respondents also argued that full disclosure was made regarding any investments and any losses were caused by unforeseen market events and not by any wrongdoing on the part of respondents.

Relief Requested

Claimant requested:

1. Compensatory damages;
2. Interest from the date of purchase of the margin accounts;
3. Attorney's fees;
4. Punitive damages;
5. Costs;
6. Such further relief as deemed proper.

Other Issues Considered and Decided

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

Respondent Mark Sitzler was dismissed during the arbitration hearing by stipulation of the parties.

Respondent Gruntal and Company, Inc. made a motion to dismiss at the conclusion of

the claimant's case in chief, which was granted by the arbitrators. The case is hereby dismissed.

Award

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

1. Each and every claim is dismissed pursuant to the motion to dismiss made by respondent at the conclusion of claimant's case in chief, which was granted by the arbitrators;
2. The claim for punitive damages is dismissed;
3. The parties shall each bear their respective attorney's fees;
4. The parties shall each bear their respective costs.

Other Costs

None.

Forum Fees

Pursuant to Section 43(g) of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc., shall retain the \$750 previously paid as a hearing session deposit by the claimant. Forum fees are assessed against claimant for \$2,550, minus \$750 already paid, and \$2,550 against respondent Gruntal & Co., calculated as follows:

Total fees assessable (Two prehearing sessions at \$300/session and Four hearing sessions at \$750/session and Two hearing sessions scheduled at \$750/session	\$	5,100
Claimant's assessment		2,550
Claimant's balance due		1,800
Respondent Gruntal & Co.'s assessment		2,550

One adjournment fee was assessed against the parties.

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

Arbitration Panel

Name

Public/Industry

Walter Hitchcock

Public

Harve Citren

Public

Frank Weaver

Industry

Concurring Arbitrators' Signatures



Walter Hitchcock

Harve Citren

Frank Weaver

Date of Decision:

8/30/95

Date Served: 09/08/95

Arbitration Panel

<i>Name</i>	<i>Public/Industry</i>
Walter Hitchcock	Public
Harve Citron	Public
Frank Weaver	Industry

Concurring Arbitrators' Signatures

Walter Hitchcock

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Frank Weaver

Date of Decision:

Date Served: 09/08/95

Arbitration Panel

Name

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Walter Hitchcock

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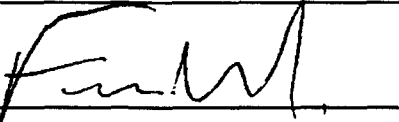
Industry

Concurring Arbitrators' Signatures

Walter Hitchcock

Harve Citren

Frank Weaver

A handwritten signature in black ink, appearing to read 'Frank Weaver', is written over a horizontal line. The signature is stylized with a large 'F' and a prominent 'W'.

Date of Decision:

Date Served: 09/08/95