

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Name of Claimant

Victor H. Goulding

93-03380

Name of Respondents

Gruntal & Co., Inc. and Marcial Chiong

REPRESENTATION OF PARTIES

For Claimant at the hearing: Randall S. Goulding, Esq., Chicago, Illinois.

For Respondent, Gruntal & Co., Inc. at the hearing: Eric S. Hunter, Esq. of Gruntal & Co., New York, New York. For Respondent, Marcial Chiong, not present at the hearing: Pro Se.

CASE INFORMATION

Statement of Claim filed: August 30, 1993. Claimants' Submission Agreement signed: September 23, 1993.

Statement of Answer filed by Respondent, Gruntal & Co., Inc.: December 10, 1993. Respondent, Gruntal & Co., Inc.'s Submission Agreement signed on: December 7, 1993.

HEARING INFORMATION

Hearing date: May 18, 1994 for two (2) sessions.

Hearing Location: Chicago, Illinois.

CASE SUMMARY

Claimant, Victor Goulding alleged as Count I of his Statement of Claim that Respondents Gruntal & Company, Inc. ("Gruntal") and Marcial Chiong ("Chiong") engaged in unauthorized trading in his account held with Gruntal, specifically the Ridell Sports, Inc. stock and Cambridge Biotech Corporation stock. As Count II of the claim, Goulding alleged that Gruntal and Chiong violated Illinois Securities laws by purchasing Ridell stock which was unsuitable for Goulding, and as Count III, Goulding alleged that Gruntal and Chiong committed Illinois Consumer Fraud, and conspiracy and violated the Deceptive Business Practices Act.

Respondent Gruntal stated in its Answer to the Statement of Claim that the investments were authorized and were suitable given his financial wherewithal. Gruntal alleged that any losses incurred are a result of Goulding's investment decisions.

RELIEF REQUESTED

Claimant requested damages in the amount of \$13,893.92, plus costs, punitive damages in the amount of \$28,000.00, interest, attorney's fees, and such other relief as the panel deems equitable and just for Count I of the claim; damages in the amount of \$13,839.92, treble damages or \$41,681.76, attorney's fees, interest, costs and further relief as the panel deems equitable for Count II of the claim; and for damages in the amount of \$13,893.92, plus costs, punitive damages in the amount of \$41,681.76, interest, attorney's fees and other relief the panel deems equitable for Count III of the claim.

Respondent Gruntal requested that the Statement of Claim be dismissed in its entirety and that they be awarded the costs and expenses incurred in defending the action.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Marcial Chiong was not properly served with the Statement of Claim because the NASD was unable to locate a sufficient address for him. However, at the hearing, the claimant withdrew, without prejudice, the claim filed against Chiong. The Respondent objected to the withdrawal without prejudice and requested that the arbitrators order the Claimant withdraw the claim with prejudice. The arbitrators granted the Respondent's request and ordered that the dismissal of Chiong be with prejudice.

The parties present at the hearing have agreed that the Award in this matter may be executed by 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.

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. The Claimant's Statement of Claim is denied and dismissed in its entirety;
2. Each of the parties shall bear their own costs and expenses, including attorney's fees, other than those specifically enumerated for under Forum Fees below.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the following forum fees are assessed:

2 hearing sessions x \$500 = \$1000

Pursuant to Section 43(c) of the Code, the NASD shall retain the nonrefundable filing fee in the amount of \$150, and shall retain the hearing session deposit in the amount of \$500 previously paid to the NASD by Claimants.

Respondent Gruntal & Co., Inc. shall pay to the NASD additional forum fees in the amount of \$500.

Additional Forum Fees assessed by the panel are payable to the National Association of Securities Dealers, Inc.

By The Arbitration Panel:

Dated:

4-3-94

s/s Joseph O. Kostner, Esq.
Joseph O. Kostner, Esq.
Presiding, Public Arbitrator

6-13-94

s/s Colleen Grace, Esq.
Colleen Grace, Esq.
Public Arbitrator

6-7-94

s/s Craig W. Henderson
Craig W. Henderson
Industry Arbitrator

Date Award Served By The NASD: 6-14-94