

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Fred C. Sanders

93-05219

Name of Respondents

The GMS Group Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 20, 1993, Claimant Fred C. Sanders, who appeared Pro Se, alleged that he purchased \$25,000.00 of Duval County, Florida FHA (Clairborne Apartments, Jacksonville, Fl.) 7.6% Municipal Bonds on February 6, 1992 through Respondent The GMS Group, Inc. Claimant further alleged that the Respondent represented these bonds as tax-exempt and that he relied on this representation when purchasing the bonds in question. Claimant contended that these bonds were not tax-exempt, and thus he incurred an increased tax liability. As a result of the above, Claimant alleged that he has suffered damages for which the Respondent should be held liable.

Respondent The GMS Group, Inc. did not file a Statement of Answer.

RELIEF REQUESTED

Claimant Fred C. Sanders requested \$500.00 in actual damages.

Respondent The GMS Group, Inc. did not file a Statement of Answer.

OTHER ISSUES CONSIDERED AND DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondent was served by regular mail and given an opportunity to respond, which it failed to do. Service of notification of the arbitrator's identity was also effected as evidenced by return receipt card dated May 23, 1994 on file with the NASD, Inc.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent The GMS Group, Inc. had notice of the claim and was required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public arbitrator, Arnold Linsky, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 10, 1994 and not by the Respondent as required by Sections 8 and 10 of the NASD Code of Arbitration Procedure.

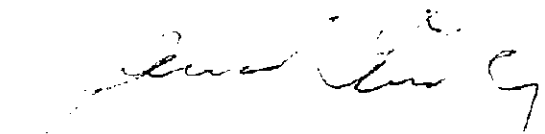
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent The GMS Group, Inc. is liable and shall pay to Claimant Fred C. Sanders \$500.00 in actual damages.
2. Respondent The GMS Group, Inc. is liable and shall pay to Claimant Fred C. Sanders simple interest at the rate of 4% per annum from June 30, 1994 to the date of payment of the award.
3. The parties shall bear their respective costs.
4. The \$30.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent The GMS Group, Inc. is liable and shall pay to Claimant Fred C. Sanders \$30.00 as reimbursement of the filing fee.

Page Three
Award 93-05219

AFFIRMATION

I, **ARNOLD LIMSKY**, do hereby affirm upon my oath of 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: July 12, 1994

STATE OF: New Jersey

SS:

COUNTY OF: Monmouth

On this 2nd day of July 1994, before me personally appeared **ARNOLD LIMSKY** to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Angela Granza

ANGELA GRANZA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 22, 1995