

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

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**In the Matter of the Arbitration Between**

**Name of Claimant**

Gregory J. Harnyak

94-02328

**Name of Respondents**

A.T. Brod  
Donald Stunoff

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on June 20, 1994, Claimant Gregory J. Harnyak, who appeared Pro Se, alleged that Respondent Donald Stunoff of the Respondent firm A.T. Brod began trading SEP 100 index, CBOE options in Claimant's IRA account on November 11, 1990 and trading continued through February 20, 1991. Claimant further alleged that Respondent Stunoff recommended that he trade options, Claimant agreed and was informed at a later date that it was illegal and violates existing regulations to trade options in an IRA account. Claimant asserted that he should be compensated by Respondents for his losses.

Respondent A.T. Brod & Co., Inc., through its outside counsel Stephen G. Topetzes, Esq. of Kirkpatrick E. Lockhart, Washington, DC, maintained that Claimant does not identify any statutory or regulatory provision in support of his assertion of illegal trades, except for his alleged conversation with the representative of his new brokerage firm, Respondent further maintained that it is not illegal to trade option in an IRA and they were therefore not liable in this matter and request that the claims of the Claimant be dismissed.

Respondent Donald Stunoff failed to file an Answer to the Statement of Claim.

**RELIEF REQUESTED**

Claimant Gregory J. Harnyak requested \$8,031.00 in actual damages and interest.

Respondent A.T. Brod & Co., Inc. requested that the claims of the Claimant be dismissed in their entirety.

Respondent Donald Stunoff failed to file an Answer to the Statement of Claim.

#### **OTHER ISSUES CONSIDERED & DECIDED**

In accordance with Section 13 of the NASD Code of Arbitration Procedure, Respondent Donald Stunoff, was served a copy of the Statement of Claim by certified mail and given an opportunity to respond, which he failed to do. Respondent was served with an Overdue Notice for the Statement of Answer on September 20, 1994.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent Donald Stunoff 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**

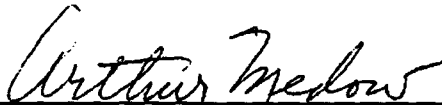
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Arthur Meadow, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 14, 1994 but not by the Respondents A.T. Brod & Co., Inc. and Donald Stunoff as required by Sections 12 & 13 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. The claims of the Claimant Gregory J. Harnyak against Respondents A.T. Brod & Co., Inc. and Donald Stunoff are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Gregory J. Harnyak shall be retained by the NASD, Inc.

**AFFIRMATION**

I, ARTHUR MEDOW, ESQ., 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.

A handwritten signature in cursive script, reading "Arthur Meadow", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: March 20, 1995