

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

---

In the Matter of the Arbitration Between

Name of Claimants

Robert and Sherry Gedulig, JTWROS

95-01998

Name of Respondents

Hunter International Securities  
Gary A. Franklin

---

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 26, 1995, Claimants, Robert and Sherry Gedulig, JTWROS ("Claimants"), who appeared Pro Se, alleged that Respondents, Hunter International Securities ("HIS") and Gary A. Franklin ("Franklin"), made misrepresentations to induce them to purchase securities. Claimants further alleged that Respondent Franklin, a representative of Respondent HIS, represented that the stock of Sky Scientific, which was trading at \$.82, would be trading at \$3.00 within four weeks. Claimants contended that on August 18, 1994, pursuant to Respondent Franklin's representation, they purchased 3,500 shares of Sky Scientific for a total investment of \$2,953.13. Claimants further contended that the stock continually declined in value and all 3,500 shares were sold for \$635.25. As a result of the above, Claimants alleged that they have suffered a loss for which Respondents should be held liable.

Respondents, Hunter International Securities and Gary A. Franklin, through their representative and outside counsel, Howard A. Tescher, Esq., of Kipnis, Tescher, Lippman, Valinsky & Kain, in Fort Lauderdale, FL., maintained that the Claimants, by accepting without objection a confirmation slip of the transaction in question and periodic statements evidencing the status of their account, have waived any claims they may have against Respondents and are estopped from asserting any claims against Respondents. Respondents further maintained that at all times relevant hereto, they acted properly and in good faith regarding Claimants' account and properly conducted the transaction in question in accordance with all applicable rules and regulations. Respondents maintained that Claimants are sophisticated investors whose loss resulted from their own investment decisions. Respondents further maintained that Claimants have failed to allege that they have relied upon any alleged misstatements made by Respondents. As a result of the above, Respondents maintained that they should not be held liable for Claimants' loss.

**RELIEF REQUESTED**

Claimants, Robert and Sherry Gedulig, JTWROS, requested \$2,317.88 in actual damages, plus costs.

Respondents, Hunter International Securities and Gary A. Franklin, requested that the claims of the Claimants be dismissed.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Michael G. Shannon, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants, Robert and Sherry Gedulig, JTWROS, on May 9, 1995, and by the Respondent, Hunter International Securities, on June 22, 1995, and by Respondent, Gary A. Franklin, on June 22, 1995.

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 Respondents, Hunter International Securities and Gary A. Franklin, are jointly and severally liable and shall pay to the Claimants, Robert and Sherry Gedulig, JTWROS, \$2,317.88 in actual damages.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants, Robert and Sherry Gedulig, JTWROS, shall be retained by the NASD, Inc. Respondents, Hunter International Securities and Gary A. Franklin, are jointly and severally liable and shall pay to the Claimants, Robert and Sherry Gedulig, JTWROS, \$50.00 as reimbursement of the filing fee.

**AFFIRMATION**

STATE OF *New York*

}  
}

ss:

COUNTY OF *New York*

I, *Michael G. Shanara*, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

*Michael G. Shanara*

Signature of Arbitrator

DATE OF DECISION: October 13, 1995