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NASD REGULAION, INC. AWARD

In the Matter of the Arbitration Between

Name of Claimant

Joseph M. Leone

96-05085

Name of Respondent

Gruntal & Co., Inc.

REPRESENTATION

For Claimant Joseph M. Leone ("Claimant") appeared Ross B. Intelisano, Esq. and Daniel Katz, of Pressman and Associates, located in New York, New York.

For Respondent Gruntal & Co., Inc. ("Respondent") appeared Harry D. Frisch, Esq., in-house counsel, located in New York, New York.

CASE INFORMATION

Statement of Claim filed on: November 11, 1996.

Claimant's Submission Agreement signed on: November 7, 1996.

Statement of Answer filed by Respondent on: January 17, 1997.

Respondent's Submission Agreement signed on: February 12, 1997.

HEARING INFORMATION

Pre-Hearing Conference:	July 16, 1997	One Session
Hearing Dates/Sessions:	July 30, 1997	Two Sessions
	July 31, 1997	Two Sessions
	August 1, 1997	Two Sessions
	August 19, 1997	Two Sessions
	August 20, 1997	Two Sessions

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that, in June 1993, Respondent aggressively solicited him to work for Respondent as an institutional high yield debt salesperson. Claimant alleged that Respondent told him they had an established institutional high yield debt business which could offer him substantial opportunities. Claimant alleged that despite this he intended to accept employment elsewhere. Claimant further alleged that, when Respondent learned of this, they pursued him more aggressively by representing to him that they had an established institutional high yield debt business which included a full time research analyst, a trader and the infrastructure to provide support for Claimant's existing customers and the opportunity to create new business. Claimant alleged that, due to these representations, he chose to work for Respondent and forego the other employment opportunity. Claimant alleged that, during his employ with Respondent, he learned that there was no analyst or trader and maintained that Respondent had misrepresented their high yield debt business. Claimant further alleged that he attempted to help Respondent build a high yield debt business and that, in order to induce Claimant to remain with Respondent, they informed him that they would provide the necessary staff and capital to do so. Claimant alleged that Respondent provided neither staff nor capital and, upon officially abandoning the high yield debt business, terminated his employment. Claimant maintained that he relied on the misrepresentations of Respondent to his financial and professional detriment.

Respondent denied that they engaged in fraud, fraudulent inducement, or that they made misrepresentations to Claimant and caused him financial damages. Respondent maintained that Claimant was hired, in June 1993, as an institutional high yield corporate bond sales person. Respondent maintained that Claimant was unable to generate any meaningful business for them almost from the beginning of his employment. Respondent maintained that, although Claimant's lack of production was obvious, they continued his employment in the hope that he would be able to generate commissions. Respondent maintained that, in December 1994, Claimant's employment was terminated due to lack of production.

RELIEF REQUESTED

Claimant requested actual damages in the amount of \$528,711.00, plus punitive damages, interest, costs, disbursements, filing fees, and any other award of damages that the panel deems appropriate.

Respondent requested that the Statement of Claim be dismissed in its entirety, that they receive all costs, attorneys' fees and other expenses in defending the Statement of Claim, that all forum fees be assessed against Claimant and any additional relief that the panel deems just and fair.

OTHER ISSUES CONSIDERED & 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 original remains 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. Respondent is liable and shall pay to Claimant the sum of \$95,000.00.
2. Claimant's request for punitive damages is denied.
3. All other claims are denied.

FORUM FEES

Pursuant to Rule 10205(c) of the NASD Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. shall retain the \$500.00 non-refundable filing fee previously deposited by Claimant and have assessed the following Forum Fees:

1 Pre-hearing conference x \$300.00 = \$ 300.00

10 Hearing sessions x \$1,000.00 = \$10,000.00

Total Forum Fees = \$10,300.00

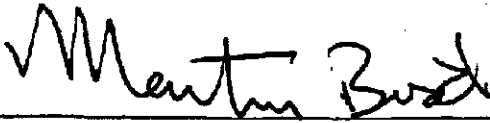
1. Claimant be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$5,150.00, representing one-half of the forum fees assessed. Claimant previously deposited \$1,000.00 with NASD Regulation, Inc., therefore, Claimant is liable and shall pay the balance of \$4,150.00.

2. Respondent be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$5,150.00, representing one-half of the forum fees assessed.

3. Respondent be and is hereby liable and shall pay to NASD Regulation, Inc. the sum of \$350.00, representing the Member Surcharge.

Fees are payable to NASD Regulation, Inc..

ARBITRATORS' SIGNATURES



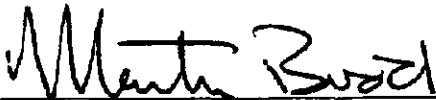
Martin Budd, Esq.
Public Chairperson

Neil J. Carey
Public Panelist

James J. Noone
Industry Panelist

Date of Decision: January 20, 1998

I, Martin Budd, Esq., do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.




Martin Budd, Esq.

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ARBITRATORS' SIGNATURES

Martin Budd, Esq.
Public Chairperson

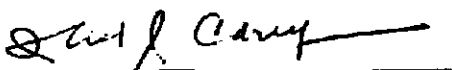


Neil J. Carey
Public Panelist

James J. Noone
Industry Panelist

Date of Decision: January 20, 1998

I, Neil J. Carey, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.




Neil J. Carey

ARBITRATORS' SIGNATURES

Martin Budd, Esq.
Public Chairperson

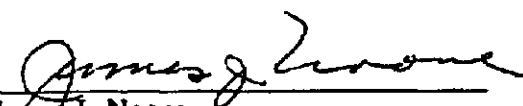
Neil J. Carey
Public Panelist



James J. Noone
Industry Panelist

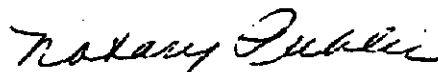
Date of Decision: January 20, 1998

I, James J. Noone, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.



James J. Noone





12/31/97

KATHLEEN S. RUH
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES
JAN. 16 2001