

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Bernard Gutman

Case No. 99-00179

Names of Respondents

Redstone Securities, Inc.
Gary Purcell

Names of Third-Party Respondents

Chatfield Dean & Co., Inc. n/k/a JSG Securities
Drew Allen Gutman

REPRESENTATION OF PARTIES

For Claimant: Robert Bertsch, Esq. of Bertsch & Associates, Port Washington, New York.

For Respondents Redstone Securities, Inc. ("Redstone") and Gary Purcell ("Purcell"):
Charles M. O'Rourke, Esq., Garden City, New York.

For Third-Party Respondents Chatfield Dean & Co., Inc. n/k/a JSG Securities ("Chatfield")
and Drew Allen Gutman ("Drew Gutman"): Christa D. Taylor, General Counsel, Chatfield,
Greenwood Village, Colorado.

CASE INFORMATION

Statement of Claim filed on: January 7, 1999.

Claimant's Uniform Submission Agreement signed on: January 7, 1999.

Amendment to the Statement of Claim filed on: February 8, 1999.

Joint Statement of Answer and Third-Party Claim of Respondents Redstone and Purcell filed
on: March 30, 1999.

Respondent Redstone's Uniform Submission Agreement signed on: March 2, 1999
by Thomas Laundrie, President, on behalf of the firm.

Respondent Purcell's Uniform Submission Agreement signed on: March 2, 1999.

Answer and Motion to Dismiss of Chatfield Dean & Co., Inc. to Third-Party Claim filed on: May 10, 1999.

Third-Party Respondent Chatfield's Submission Agreement signed on: May 10, 1999 by Christa D. Taylor, General Counsel, on behalf of the firm.

Third-Party Respondent Drew Gutman's Joinder of Chatfield Dean & Co. Inc.'s Answer and Motion to Dismiss Third-Party Claim filed on: May 26, 1999.

Respondent Drew Gutman's Submission Agreement signed on: May 25, 1999.

CASE SUMMARY

Claimant asserted the following causes of action: common law fraud; violations of Section 10 (b) (5) of the Securities Exchange Act; violations of Section 15 of the Securities Act; violations of Section 20 of the Securities Exchange Act; breach of fiduciary duty; and, unsuitability. Claimant alleged that the causes of action relate to the purchase for Claimant's account of an initial public offering, Technical Chemicals and Products, Inc. ("TCPI"), by Respondents Redstone and Purcell.

Unless specifically admitted in their Statement of Answer, Respondents Redstone and Purcell denied the allegations of wrongdoing contained in the Statement of Claim and asserted the following: any losses incurred as a result of the handling of Claimant's account which was transferred by Claimant from Redstone to Chatfield, including but not limited to the purchase of additional shares of the subject securities, should be attributed to Third-Party Respondents Chatfield and Drew Gutman. Respondents Redstone and Purcell further asserted that all claims against them should be dismissed.

Unless specifically admitted in their Statement of Answer, Third-Party Respondents Chatfield and Drew Gutman denied the allegations of wrongdoing contained in the Statement of Claim and alleged the following: Claimant opened a joint account at Chatfield with his wife Barbara in December, 1997. Shortly thereafter, Claimant's son, Drew Gutman, became a licensed broker and began working for Chatfield. In August, 1998, 14,000 shares of TCPI were transferred into Claimant's account at Chatfield from Redstone. On August 26, 1998, Claimant purchased 2,000 additional shares of TCPI through Chatfield against the advice of his son, Drew Gutman. In November, 1998, Claimant sold all 16,000 shares of TCPI. Claimant has not alleged that Chatfield or Drew Gutman in any fashion misled him concerning TCPI, and he has made no claims against them. Third-Party Respondents Chatfield and Drew Gutman did not violate any legal rights of Redstone or Purcell and said Respondents suffered no damages at the hands of Chatfield and/or Drew Gutman, therefore, they have no cause of action.

RELIEF REQUESTED

Claimant requested an award against Redstone and Purcell of approximately \$100,000.00

plus interest from the date of the transactions complained of through and including the date the award is paid in full. Claimant further requested an award of his costs and disbursements, including attorneys' fees, and such other and further relief deemed just and proper by the Panel.

Respondents Redstone and Purcell requested that all claims against them be dismissed; that all allegations contained in the Statement of Claim be expunged from their respective Central Registration Depository ("CRD") records; and, that all costs and expenses of this arbitration, including forum fees, filing fees and reasonable attorneys' fees, be assessed against the Claimant. Further, Respondents Redstone and Purcell requested relief on their third-party claim against Third-Party Respondents Chatfield and Drew Gutman.

Third-Party Respondents Chatfield and Drew Gutman requested a dismissal of the third-party claim and an award of their costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On October 8, 1999, Respondents Redstone and Purcell informed NASD Regulation, Inc. that they had dismissed, without prejudice, their third-party claim against Third-Party Respondents Chatfield and Drew Gutman. Therefore, the arbitration panel made no determinations with respect to Third-Party Respondents Chatfield and Drew Gutman.

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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Redstone and Purcell are found not liable and, therefore, all claims against them are hereby denied.
2. Respondents Redstone and Purcell's requests that all allegations and claims contained in the Statement of Claim be expunged from their respective CRD records are hereby denied.
3. The parties shall each bear their respective costs and expenses, including attorneys' fees.
4. All other claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$200.00
Third-party claim filing fee	= \$500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm, Redstone, is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$750.00	= \$750.00
Pre-hearing Conference Date: July 20, 1999	1 session
Five (5) Hearing sessions x \$750.00	= \$3,750.00
Hearing Dates: November 16, 1999	2 sessions
November 17, 1999	2 sessions
December 1, 1999	1 session
Total Forum Fees	= \$4,500.00

The Panel has assessed \$2,250.00 of the forum fees to Claimant.

The Panel has assessed \$2,250.00 of the forum fees jointly and severally to Respondents Redstone and Purcell.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 200.00
<u>Forum Fees</u>	= \$2,250.00
Total Fees	= \$2,450.00
<u>Less payments</u>	= \$ 950.00
Balance Due NASD Regulation, Inc.	= \$1,500.00

Respondent Redstone be and hereby is solely liable for:

<u>Member Fees</u>	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$4,600.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondents Redstone and Purcell be and hereby are jointly and severally liable for:

Third-Party Claim Filing Fee	= 500.00
<u>Forum Fees</u>	= \$2,250.00
Total Fees	= \$2,750.00
<u>Less payments</u>	= \$2,100.00
Balance Due NASD Regulation, Inc.	= \$ 650.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

_____/s/_____
Jack L. Ratzkin, Esq.
Public Arbitrator, Presiding Chair

Signature Date

_____/s/_____
Samuel Leigh, Esq.
Public Arbitrator

Signature Date

_____/s/_____
William H. McCullough
Industry Arbitrator

Signature Date

January 11, 2000
Date of Service (For NASD office use only)

Respondent Redstone be and hereby is solely liable for:

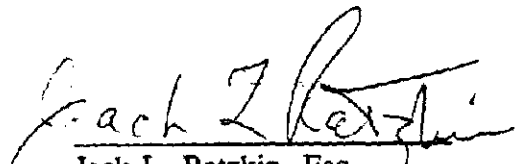
<u>Member Fees</u>	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$4,600.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondents Redstone and Purcell be and hereby are jointly and severally liable for:

Third-Party Claim Filing Fee	= 500.00
<u>Forum Fees</u>	= \$2,250.00
Total Fees	= \$2,750.00
<u>Less payments</u>	= \$2,100.00
Balance Due NASD Regulation, Inc.	= \$ 650.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures



Jack L. Ratzkin, Esq.
Public Arbitrator, Presiding Chair

01/06/2000

Signature Date

Samuel Leigh, Esq.
Public Arbitrator

Signature Date

William H. McCullough
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

Respondent Redstone be and hereby is solely liable for:

<u>Member Fees</u>	= \$4,600.00
<u>Total Fees</u>	= \$4,600.00
<u>Less payments</u>	= \$4,600.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondents Redstone and Purcell be and hereby are jointly and severally liable for:

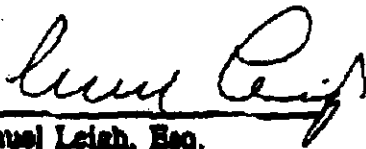
<u>Third-Party Claim Filing Fee</u>	= 500.00
<u>Forum Fees</u>	= \$2,250.00
<u>Total Fees</u>	= \$2,750.00
<u>Less payments</u>	= \$2,100.00
Balance Due NASD Regulation, Inc.	= \$ 650.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Jack L. Ratzkin, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Samuel Leigh, Esq.
Public Arbitrator

JAN 11 2000

Signature Date

William H. McCullough
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

Respondent Rodstone be and hereby is solely liable for:

Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
Less payments	= \$4,600.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondents Rodstone and Purcell be and hereby are jointly and severally liable for:

Third-Party Claim Filing Fee	= 300.00
Examination Fees	= \$2,250.00
Total Fees	= \$2,750.00
Less payments	= \$2,100.00
Balance Due NASD Regulation, Inc.	= \$ 650.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Jack L. Rotkin, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Samuel Leigh, Esq.
Public Arbitrator

Signature Date


William H. McCullough
Industry Arbitrator

1-16-2000
Signature Date

Date of Service (For NASD office use only)