

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

GKN Securities, Inc. (Claimant) vs. Michael Philip Eaton, (Respondent)

Case Number: 01-00469

Hearing Site: New York, NY

REPRESENTATION OF PARTIES

Claimant, GKN Securities, Inc. ("GKN"), hereinafter referred to as "Claimant": Kenneth O'Connor, Esq., Lubiner & Schmidt, Cranford, NJ.

Respondent, Michael Philip Eaton ("Eaton"), hereinafter referred to as "Respondent" appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: January 25, 2001.

Claimant GKN signed the Uniform Submission Agreement: January 22, 2001.

Respondent Eaton did not file a Statement of Answer or a Uniform Submission Agreement.

CASE SUMMARY

Claimant GKN asserted the following causes of action: breach of a promissory note; and failure to pay certain expenses and/or customer debts that became due and payable on the date of Respondent's termination from employment with Claimant.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$28,126.94, plus interest, costs, attorneys' fees, and any additional relief the panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Eaton did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure ("Code") and having appeared and testified at the hearing, is bound by the determination of the Arbitrator on all issues submitted.

By letter dated June 24, 2002 Claimant made a Motion to Preclude. During the hearing, and after reviewing all submissions and considering all arguments, the Arbitrator denied the Motion.

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, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Eaton is hereby liable for and shall pay to Claimant GKN the sum of \$28,126.94 as compensatory damages plus interest calculated at the rate of 10% per year, on a 30/360 basis, with annual compounding accruing from December 15, 2000 until the date the award is paid in full.
2. Respondent Eaton is hereby liable for and shall pay to Claimant GKN the sum of \$1,000.00 to reimburse Claimant for the non-refundable filing fee previously paid to NASD Dispute Resolution.
3. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$1,000.00

As stated in the "Award" section above, Respondent shall reimburse Claimant for the non-refundable filing fee.

Member Fees

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

Member surcharge = \$ 600.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$1,000.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$450.00
Pre-hearing conference: January 17, 2002 1 session

One (1) Hearing session x \$450.00 = \$450.00
Hearing Date: July 2, 2002 1 session

Total Forum Fees = \$900.00

The Arbitrator has assessed the \$900.00 forum fees against Respondent Eaton.

Fee Summary

1. Claimant GKN be and hereby is solely liable for:

Initial Filing Fee	= \$1,000.00
<u>Member Fees</u>	<u>= \$2,200.00</u>
Total Fees	= \$3,200.00
<u>Less payments</u>	<u>= \$2,050.00</u>
Balance Due NASD Dispute Resolution	= \$1,150.00

2. Respondent Eaton be and hereby is solely liable for:

<u>Forum Fees</u>	<u>= \$ 900.00</u>
Total Fees	= \$ 900.00
<u>Less Payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 900.00

All balances are due and payable to NASD Dispute Resolution.

ARBITRATION PANEL

Steven J. Petrie

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Non-Public Arbitrator, Presiding Chair

Arbitrator's Signature

I, the undersigned arbitrator, 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.



Steven J. Petrie
Non-Public Arbitrator, Presiding Chair

Signature Date

August 6, 2002
Date of Service (For NASD office use only)