

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Edward Egilinsky (Claimant) v. Kenmar Advisory Corporation, Kenmar Securities, Inc., and
Kenmar Holdings, Inc. (Respondents)

Case Number: 04-06653

Hearing Site: New York, New York

Nature of the Dispute: Associated Person v. Member and Non-Members

REPRESENTATION OF PARTIES

Claimant Edward Egilinsky hereinafter collectively referred to as "Claimant": Anne C. Vladeck, Esq., Vladeck Waldman Elias & Engelhard, P.C., New York, NY.

Respondents Kenmar Securities, Inc. ("Kenmar Securities"), and Kenmar Advisory Corporation ("Kenmar Advisory") nka Preferred Investment Solutions Corporation, hereinafter collectively referred to as "Respondents": Stephen M. Cowherd, Esq., Jeffers & Ireland, Fairfield, CT.

Respondent Kenmar Holdings, Inc. ("Kenmar Holdings") did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: September 15, 2004.

Claimant signed the Uniform Submission Agreement: August 27, 2004.

Joint Statement of Answer filed by Respondents on or about: December 2, 2004.

Respondent Kenmar Securities signed the Uniform Submission Agreement: December 2, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: violations of Connecticut General Statutes §§31-71a through 31-71k regarding payment of wages and retaliation; and breach of contract.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested that the Panel:

1. Declare that the acts and practices complained of in the Statement of Claim are a violation of Connecticut's General Statutes and a breach of the implied-in-fact contract contained in the September 18, 1997 Memorandum, as amended;
2. Award Claimant compensatory damages in the amount of \$140,949.00
3. Award Claimant punitive damages in the amount of \$99,283.00
4. Award Claimant attorneys' fees and costs, and such interest as allowed by law; and grant such other and further relief as the Arbitration Panel deems necessary and proper.

Respondents requested that the Arbitration Panel deny Claimant the relief sought in the Statement of Claim and award Respondents their costs and attorneys' fees as well as such other and further relief it deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Kenmar Advisory did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

Respondent Kenmar Holdings is not a member of NASD and did not voluntarily submit to NASD's jurisdiction. Accordingly, Kenmar Holdings did not participate as a party to this matter.

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

1. Respondents Kenmar Advisory and Kenmar Securities are liable for and shall pay to Claimant compensatory damages in the amount of \$61,605.00 plus interest at the rate of 10%/annum from September 30, 2004 until the date the award is paid.
2. Any and all relief not specifically addressed herein, including punitive damages, is 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 = \$ 300.00

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. Accordingly, Kenmar Securities, Inc. is a party.

| | |
|----------------------------|---------------|
| Member surcharge | = \$ 1,700.00 |
| Pre-hearing process fee | = \$ 750.00 |
| <u>Hearing process fee</u> | = \$ 2,750.00 |
| Total Member Fees | = \$ 5,200.00 |

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

May 3-6, 2005, adjournment by Respondents = \$1,125.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: August 25, 2005 1 session

Two (2) Pre-hearing sessions with Panel @ \$1,125.00 = \$ 2,250.00
Pre-hearing conferences: March 17, 2005 1 session
April 20, 2005 1 session

Eight (8) Hearing sessions @ \$1,125.00 = \$ 9,000.00
Hearing Dates: September 6, 2005 2 sessions
September 7, 2005 2 sessions
September 8, 2005 2 sessions
September 9, 2005 2 sessions

Total Forum Fees = \$11,700.00

1. The Panel has assessed \$11,700.00 of the forum fees to Claimant.

Fee Summary

1. Claimant is solely liable for:

| | |
|-------------------------------------|---------------|
| Initial Filing Fee | = \$ 300.00 |
| <u>Forum Fees</u> | = \$11,700.00 |
| Total Fees | = \$12,000.00 |
| <u>Less payments</u> | = \$ 1,425.00 |
| Balance Due NASD Dispute Resolution | = \$10,575.00 |

2. Respondent Kenmar Securities is solely liable for:

| | |
|--|---------------|
| <u>Member Fees</u> | = \$ 5,200.00 |
| <u>Total Fees</u> | = \$ 5,200.00 |
| <u>Less payments</u> | = \$ 5,200.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$ 0.00 |

3. Respondents are jointly and severally liable for:

| | |
|--|---------------|
| <u>Adjournment Fee</u> | = \$ 1,125.00 |
| <u>Total Fees</u> | = \$ 1,125.00 |
| <u>Less payments</u> | = \$ 0.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$ 1,125.00 |

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

| | | |
|----------------------|---|--|
| Dennis M. Pape, Esq. | - | Non-Public Arbitrator, Presiding Chairperson |
| Alice J. Dutton | - | Non-Public Arbitrator |
| Linda E. Chudnoff | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures

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.

Dennis M. Pape, Esq.
Non-Public Arbitrator, Presiding Chairperson

Signature Date

Alice J. Dutton
Non-Public Arbitrator

Signature Date

Linda E. Chudnoff
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

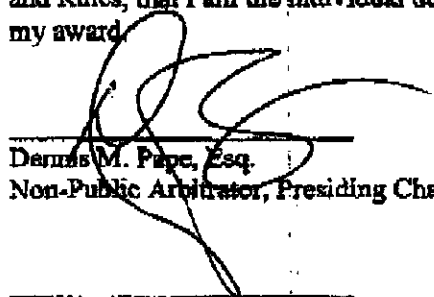
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9/12/05

Signature Date

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Non-Public Arbitrator

Signature Date

Linda E. Chudnoff
Non-Public Arbitrator

Signature Date

Sept 13, 2005

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