

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

GKN Securities Corp.

94-00418

Name of Respondent

Kevin Gumb

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on February 2, 1994, Claimant GKN Securities Corp., through its representative, Katherine Nathan, Esq., alleged that Respondent Kevin Gumb commenced employment as a registered representative for the Claimant on or about March 23, 1993 and executed a "U-4" in which he agreed to "arbitrate any dispute, claim or controversy that may arise between me and my firm". Claimant further alleged that on or about March 23, 1993 and January 13, 1993, Respondent entered into Association Agreements with Claimant in which he agreed to indemnify Claimant for unsecured customer debits and expenses. The Claimant contended that unsecured customer debits and expenses of Respondent which are covered by the terms of the Association Agreements resulted in a debit of \$2,721.96 as detailed in Respondent's April 15, 1993 Monthly Commission Payout Summary. Claimant further contended that Respondent's employment with Claimant terminated on or about March 29, 1993 and at this time, Respondent had failed to repay \$2,721.96, despite demand by Claimant. As a result of the above, Claimant alleged that it has suffered damages for which the Respondent should be held liable.

Respondent Kevin Gumb failed to file a Statement of Answer.

**RELIEF REQUESTED**

Claimant GKN Securities Corp. requested \$2,721.96 in actual damages plus interest, costs of these proceedings and \$340.50 in attorney's fees.

Respondent Kevin Gumb failed to file a Statement of Answer.

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**OTHER ISSUES CONSIDERED & DECIDED**

In accordance with Section 10 of the NASD Code of Arbitration Procedure, Respondent Kevin Gumb, was served a copy of the Statement of Claim by regular and certified mail and given an opportunity to respond, which he failed to do. Service of the claim and notification of the arbitrator's identity were effected as evidenced by return receipt cards on file at the NASD, Inc.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent Kevin Gumb had notice of the claim, and was required to submit to this arbitration proceeding; and is, therefore, bound by the arbitrator's ruling and determination.

**AWARD**

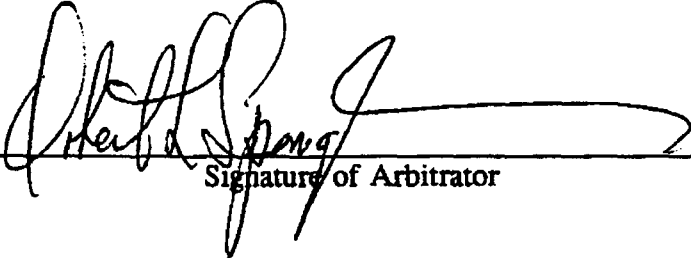
Pursuant to Section 10 of the NASD, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, Robert Spangler, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 2, 1994 but not by the Respondent as required by Sections 8 & 10 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure.

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. Respondent Kevin Gumb is liable and shall pay to Claimant GKN Securities Corp. \$1,652.35 in actual damages.
2. Respondent Kevin Gumb is liable and shall pay to Claimant GKN Securities Corp. simple interest at the rate of 9% per annum from April 1, 1993 to the date of payment of the Award.
3. Respondent Kevin Gumb is liable and shall pay to Claimant GKN Securities Corp. \$340.50 in attorney's fees.
4. The parties shall bear their respective costs.
5. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by Claimant GKN Securities Corp. shall be retained by the NASD, Inc. Respondent Kevin Gumb is liable and shall pay \$575.00 to the Claimant as reimbursement of the filing fee.

**AFFIRMATION**

I, **ROBERT SPANGLER**, 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.

  
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Signature of Arbitrator

**DATE OF DECISION:**      January 31, 1995

**STATE OF:**      NY

**SS:**

**COUNTY OF:**      NY

On this 27 day of January, 19 95, before me personally appeared Robert Spangler to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

  
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MARIANNE DIMINO  
Notary Public, State of New York  
No. 41-4849869  
Qualified in Queens County  
Commission Expires January 6, 1996