

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

GKN Securities Corp.

94-00422

Name of Respondents

Charles Stile

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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 in-house counsel Katherine Nathan, Esq., New York, New York, alleged that Respondent Charles Stile commenced employment with Claimant as a registered representative and executed a U-4 which provides that Respondent agreed to arbitrate "any dispute, claim or controversy that may arise between me and my firm." Claimant further alleged that pursuant to an Association Agreement Respondent entered into with Claimant, Respondent agreed to indemnify Claimant for unsecured customer debits and repay Claimant for certain expenses. Claimant contended that expenses and unsecured customer debits of Respondent covered by the Association Agreement resulted in a debit of \$2,225.64. Claimant further contended that Respondent voluntarily terminated his employment with Claimant on or about May 3, 1993, and that Respondent has failed to repay the amount due under the Association Agreement. As a result of the above, Claimant alleged that it has suffered damages for which the Respondent should be held liable.

Respondent Charles Stile did not file a Statement of Answer.

**RELIEF REQUESTED**

Claimant GKN Securities Corp. requested \$2,225.64 in actual damages, plus interest, costs and attorney's fees.

Respondent Charles Stile did not file a Statement of Answer.

**OTHER ISSUES CONSIDERED AND DECIDED**

In accordance with Section 10 of the NASD Code of Arbitration Procedure Respondent Charles Stile was served by regular mail and given an opportunity to respond, which he failed to do. Service of notification of the arbitrator's identity was also effected as evidenced by return receipt card dated August 9, 1994 on file with the NASD, Inc.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent Charles Stile 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 National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single industry arbitrator, John A. Borgese, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 2, 1994 and not by the Respondent as required by Sections 8 and 10 of the NASD Code of Arbitration Procedure.

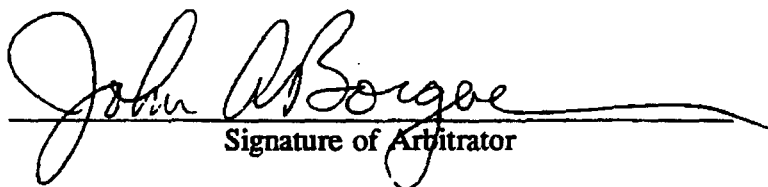
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Charles-Stile is liable and shall pay to Claimant GKN Securities Corp. \$2,225.64 in actual damages.
2. The parties shall bear their respective costs, including attorney's fees.
3. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

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**AFFIRMATION**

I, **JOHN A. BORGESE, ESQ.**, do hereby affirm upon my oath of arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
Signature of Arbitrator

**DATE OF DECISION:**      October 31, 1994

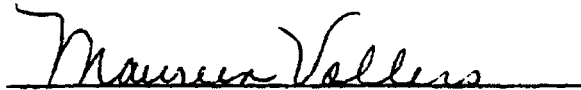
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STATE OF: NEW JERSEY

SS:

COUNTY OF: HUDSON

On this 3<sup>rd</sup> day of October 19 94, before me personally appeared **JOHN A. BORGESE, ESQ.** 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.



**MAUREEN VOLLERS**  
Notary Public, State of New Jersey  
No. 2100308  
Qualified in Hudson County  
Commission Expires May 13, 1997