

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

GKN Securities Corp.

95-00149

Name of Respondent

Vincent P. DeGracia

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 9, 1995, Claimant GKN Securities Corp. ("GKN"), through its in-house counsel Katherine Nathan, Esq., New York, New York, alleged that on or about August 9, 1993, Respondent Vincent P. DeGracia ("DeGracia") became employed with Claimant as a registered representative. Claimant further alleged that on or about September 1993, Respondent entered into an agreement with Claimant whereby Respondent agreed to repay GKN for certain expenses and to indemnify GKN for unsecured customer debits. Claimant contended that on or about December 6, 1993 Respondent signed an increased Payout Agreement in which DeGracia agreed to repay GKN the difference between the excess commission payout and the standard grid should DeGracia's employment terminate with GKN for any reason. GKN further contended that DeGracia's employment terminated on or about June 29, 1994, and that DeGracia has failed to repay a debit balance of \$2,534.97. As a result of the above, Claimant alleged that it has suffered damages for which the Respondent should be held liable.

Respondent Vincent P. DeGracia, who appeared Pro Se, maintained that the day after he resigned from GKN a stock position was sold out at a loss. DeGracia further maintained that GKN did not act in good faith and that their actions were due to his departure for a NYSE-member firm. As a result of the above, Respondent contended that he should not be held liable in this matter.

RELIEF REQUESTED

Claimant GKN Securities Corp. requested \$2,534.97 in actual damages, plus interest, cost of these proceedings, attorney's fees, and any additional relief the arbitrator may deem just and proper.

Respondent Vincent P. DeGracia did not specifically state a relief.

AWARD

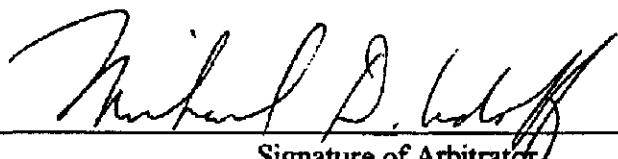
Pursuant to Section 10 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single industry Arbitrator, Michael Udoff, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 3, 1995 and by the Respondent on March 3, 1995.

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, Vincent P. DeGracia, shall be liable for, and shall pay to Claimant, GKN Securities Corp. \$2,534.97 in actual damages.
2. Respondent, Vincent P. DeGracia, shall be liable for, and shall pay to Claimant, GKN Securities Corp., interest at the rate of nine percent (9%) on the unpaid balance from December 29, 1994 until such time that the balance is paid for in full.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. ("NASD") by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, **MICHAEL UDOFF, 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: 6/9/95