

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

GKN Securities Corp.

95-00151

Name of Respondents

Elyas Seguin

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 9, 1995, Claimant GKN Securities Corp., through its representative, Katherine Nathan, New York, NY, alleged that on or about September 28, 1993, Respondent Elyas Seguin commenced employment as a registered representative with Claimant. Claimant further alleged that pursuant to an Association Agreement entered into by Respondent with Claimant, Respondent agreed to repay Claimant for certain expenses and to indemnify Claimant for unsecured customer debits. Claimant contended that expenses and/or customer debits covered by the Association Agreement with Respondent resulted in a debit of \$5.99. Claimant further contended that on or about October 19, 1993, Respondent signed a promissory note for \$6,000.00, which would become due and payable on November 15, 1993, or if Respondent's employment with Claimant was terminated for any reason. Claimant alleged that Respondent's employment with Claimant terminated on or about June 28, 1994. Claimant further alleged that despite demand by Claimant, Respondent has failed to repay amounts owed to Claimant. As a result of the above, Claimant alleged that it has suffered damages for which the Respondent should be held liable.

Respondent Elyas Seguin, who appeared Pro Se, maintained that he chose to merge his company with Claimant in order to protect the interest of his clients, and that he signed an agreement with Bruce Rubin ("Rubin") which provided that he would split equally with Rubin all commissions generated from accounts

formerly with his company. Respondent further maintained that Rubin refused to honor his agreement with Respondent, and would not share commissions. Respondent contended that when he signed the promissory note, he was under the impression that he would have commission revenue based on his agreement with Rubin. Respondent further contended that had he known of Rubin's intention to "renege on this agreement", and that Claimant would not force Rubin to honor this agreement, he would not have signed the note. As a result of the above, Respondent maintained that he should not be held liable in this matter.

RELIEF REQUESTED

Claimant GKN Securities Corp. requested \$5,583.10 in actual damages, plus interest, costs, and attorneys' fees.

Respondent Elyas Seguin requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 10 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single industry arbitrator, Robert L. Spangler, 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 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 Elyas Seguin is liable and shall pay to Claimant GKN Securities Corp. \$5,583.10 in actual damages.
2. Respondent Elyas Seguin is liable and shall pay to Claimant GKN Securities Corp. simple interest at the rate of 9% per annum from November 15, 1993 until the date of payment of the Award.
3. The parties shall bear their respective costs.
4. 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. Respondent Elyas Seguin is liable and shall pay to Claimant GKN Securities Corp. \$575.00 as reimbursement of the filing fee.

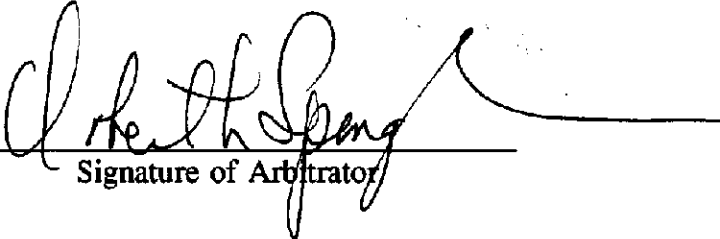
AFFIRMATION

STATE OF NEW YORK

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SS:

COUNTY OF NEW YORK

I, ROBERT L. SPANGLER, do hereby affirm upon my oath as arbitrator that I am the individual described in and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: September 28, 1995

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REPORT OF ARBITRATOR

A request for additional information was sent to both parties in this matter, and Respondent Seguin did not respond.