

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

GKN Securities Corp.

95-00509

Name of Respondent

Leandro Obenauer

CASE SUMMARY

In a case filed with National Association of Securities Dealers Regulation, Inc. on January 31, 1995, claimant GKN Securities Corporation ("GKN") through its representative and in-house counsel Katherine Nathan, Esq. alleged that respondent Leandro Obenauer ("respondent") failed to repay a debt to GKN. Claimant further alleged that on March 16, 1994, respondent entered into an Association Agreement with GKN, wherein he agreed to repay GKN for certain expenses and to indemnify GKN for unsecured customer debts. Claimant also alleged that respondent's expenses and/or unsecured customer debit resulted in a debt of \$1,743.45. Claimant asserted that on or about March 18, 1994 respondent signed an Increased Payout Agreement, in which respondent agreed to repay GKN the excess commissions paid over the standard GKN grid if he terminated his employment with GKN for any reason prior to March 18, 1995, and that the excess commissions paid out amounted to \$2,493.60. Claimant also asserted that on or about March 24, 1994, respondent signed a promissory note in the amount of \$2,000.00. Claimant contended that respondent's employment terminated with GKN on or about September 23, 1994. Claimant further contended that despite demands, respondent has failed to repay the amount owed.

Respondent Leandro Obenauer did not file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant GKN Securities Corporation requested \$3,214.29, together with interest, costs of these proceedings, attorneys' fees and any other relief the arbitrator deems just and proper.

Respondent Leandro Obenauer did not file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 10203 of the Code of Arbitration Procedure, respondent Leandro Obenauer, was served by regular mail and given an opportunity to respond, which he fail to do. In addition, service of the overdue answer notice and notification of the Arbitrator's identity was effected upon respondent Leandro Obenauer and was refused, as evidence by the certified mail card on file with NASD Regulation, Inc.

Pursuant to the By-laws of the NASDR, the arbitrator determined that respondent Leandro Obenauer 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

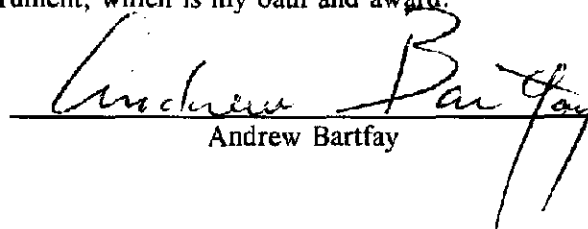
Pursuant to Section 10203 of the Code of Arbitration Procedure, a single Industry Arbitrator, Andrew Bartfay, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the claimant GKN Securities Corporation on January 11, 1995 and not by respondent Leandro Obenauer as required by Section 10201 and 10203 of the Code of Arbitration Procedure.

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

1. Respondent Leandro Obenauer be and hereby is liable and shall pay the claimant GKN Securities Corporation the sum of \$3,214.29 in actual damages.
2. Respondent Leandro Obenauer be and hereby is liable and shall pay the claimant GKN Securities Corporation an interest at the rate of 12% per annum from September 24, 1994 to the date of the award.
3. All other relief requests are denied.
4. The \$575.00 filing fee previously deposited by claimant with the National Association of Securities Dealers Regulation, Inc. shall be retained by the Association. Respondent Leandro Obenauer be and hereby is liable and shall pay the claimant GKN Securities the sum of \$575.00 as reimbursement of the filing fee.

AFFIRMATION

I, Andre Bartfay, 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.


Andrew Bartfay

Date of Decision: November 21, 1996