

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of Arbitration Between

Name of Claimant

Societe Generale Securities Corp.

95-01991

Name of Respondent

Jason MacKenzie Securities Corp.

REPRESENTATION

For Claimant, Curtis Pew, Esq. from the law firm of Baker & McKenzie, New York, NY

Respondent did not appear at the evidentiary hearing conducted in this matter

CASE INFORMATION

Statement of Claim filed: April 21, 1995

Claimant's Submission Agreement signed on: April 20, 1995

Respondent, Jason MacKenzie Securities Corp., did not submit an answer to the Statement of Claim or execute a Submission Agreement as required by Section 25 of the NASD Code of Arbitration Procedure.

HEARING INFORMATION

Hearing dates/sessions: May 3, 1996 One session

The hearings were held at the offices of the National Association of Securities Dealer, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that on October 5, 1993 Societe Generale Securities Corp. ("Societe") and Jason MacKenzie Securities Corp. ("Jason MacKenzie") entered in to a correspondent service clearing agreement (the "Clearing Agreement") and as a result of said agreement Jason MacKenzie established its own trading account, number 538-12000, opened on October 6, 1993.

Claimant alleged the account was used for the trading U.S. Treasury Notes until the account came into an overdraft position of \$123,424.00 in August 1994.

Claimant alleged that as a result of the overdraft, Jason MacKenzie entered onto an agreement with Societe Generale on August 3, 1994, to repay the overdraft amount in five (5) monthly installments, beginning August 15, 1994 and ending December 31, 1994.

Claimant alleged that no payments were made by Jason MacKenzie during 1994; however, the parties attempted to negotiate a new agreement in November 1994. Claimant further alleged that the negotiation failed, and as a result, Jason MacKenzie's good faith deposit account in the amount of \$41,438.95 was credited to the unpaid account pursuant to Section N.2 of the Clearing Agreement.

Finally, Claimant alleged that further demands for payment have received no answer from Jason MacKenzie.

Respondent did not submit a Statement of Answer in response to the Statement of Claim.

RELIEF REQUESTED

Claimant requested:

- 1) \$81,985.30 representing the net overdraft for account number 538-12000;
- 2) Interest at the prime rate since August 3, 1994, or at such a rate as the arbitration panel deems fair and reasonable;
- 3) Reasonable attorneys' fees and disbursements; and,
- 4) Such other relief that the arbitration panel deems just and reasonable.

OTHER ISSUES CONSIDERED AND DECIDED

- 1) The arbitration panel made the following rulings concerning Respondent, Jason MacKenzie Securities Corp. who failed to appear at the evidentiary hearing conducted in this matter:
 - a. Pursuant to Section 1 of the NASD Code of Arbitration Procedure, the panel found subject matter jurisdiction over this entire controversy.

- b. The panel found that the Respondent, Jason MacKenzie Securities Corp., was a members of the NASD at the time the controversy arose. Consequently, the panel found personal jurisdiction over the Respondent, Jason MacKenzie Securities Corp., pursuant to Section 12 of the NASD Code of Arbitration Procedure.
 - c. In view of (2) above, the panel found that Respondent, Jason MacKenzie Securities Corp., was required to file with the NASD a Statement of Answer and a properly executed Submission Agreement pursuant to Section 25(b) of the NASD Code of Arbitration Procedure. In this regard, the panel found that the Statement of Claim was properly served upon the Respondent, Jason MacKenzie Securities Corp., pursuant to Section 25(a) of the Code.
 - d. In addition, in accordance with Sections 21, 26 and 29 of the NASD Code of Arbitration Procedure, the panel found that the NASD provided Respondent, Jason MacKenzie Securities Corp., with " due notice" of the hearing conducted in this matter by regular and certified mail. The panel, therefore, determined to proceed with the hearing without Respondent, Jason MacKenzie Securities Corp., whose absence was unexcused.
- 2) The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Jason MacKenzie Securities Corp., is liable and shall pay to Claimant the sum of \$81,876.52;
2. Interest will accrue on the above sum at the rate of 9% per annum from August 15, 1994 until date of payment;
3. Respondent, Jason MacKenzie Securities Corp., is liable and shall pay to Claimant the sum of \$600.00 representing reimbursement of the hearing session deposit paid by Claimant;
4. Claimant's request for attorneys' fees is denied; and,

5. All other requests for relief are denied.

FORUM FEES

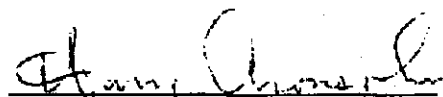
Pursuant to Section 44(c) of the Code of Arbitration Procedure, the arbitrators have assessed the following forum fees:

Total Forum Fees: \$600.00 (\$600 x 1 Session)

1. Respondent, Jason MacKenzie Securities Corp., is assessed the amount of \$600.00 representing the total forum fees, less \$600.00 paid to Claimant, leaving \$0.00 due.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS' SIGNATURES




Harry Aronson
Industry Chairperson

Robert Bennett
Industry Arbitrator

Alvin Gallant
Industry Arbitrator

Date of decision: May 30, 1996

I, **Harry Aronsohn**, do hereby affirm pursuant to Article 7507 of the Civil Procedure Law & Rules, that this is my decision in the above captioned matter.



Harry Aronsohn

I, **Robert Bennett**, do hereby affirm pursuant to Article 7507 of the Civil Procedure Law & Rules, that this is my decision in the above captioned matter.

Robert Bennett

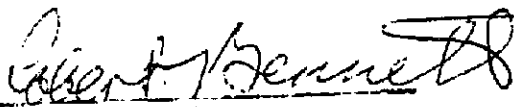
I, **Alvin Galant**, do hereby affirm pursuant to Article 7507 of the Civil Procedure Law & Rules, that this is my decision in the above captioned matter.

Alvin Galant

Date of Decision: May 30, 1996

ARBITRATORS' SIGNATURES

Harry Aronsolin
Industry Chairperson



Robert Bennett
Industry Arbitrator

Alvin Gallant
Industry Arbitrator

Date of decision: May 30, 1996

ARBITRATORS' SIGNATURES

Harry Aronsohn
Industry Chairperson

Robert Bennett
Industry Arbitrator

Alvin Gallant

Alvin Gallant
Industry Arbitrator

Date of decision: 5/30/96