

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Susanne K. Fellingner

95-04162

Name of Respondent

DG European Securities Corporation

REPRESENTATION

For Claimant, Susanne K. Fellingner, appeared David E. Potter, Esq., of the law firm of Lazare, Potter & Giacovas located in New York City, New York.

For Respondent, DG European Securities Corporation, appeared Deidre F. Curtis, Esq. and John N. Aerni, Esq. of the law firm of LeBoeuf, Lamb, Greene & MacRae located in New York City, New York.

CASE INFORMATION

Statement of Claim was filed on August 29, 1995.

Claimant's Submission Agreement was signed on August 28, 1995.

Statement of Answer filed by Respondent on October 6, 1995.

Amended Statement of Answer filed on October 6, 1995.

Respondent's Submission Agreement was signed on October 4, 1995.

Amended Statement of Claim filed on January 25, 1996.

Answer to the Amended Statement of Claim filed on February 5, 1996.

HEARING INFORMATION

Pre-Hearing Conference:	February 07, 1996	-	One Session
Hearing Dates/Sessions:	February 26, 1996	-	Two Sessions
	February 27, 1996	-	Two Sessions
	May 20, 1996	-	Two Sessions
	May 22, 1996	-	Two Sessions
	May 23, 1996	-	Two Sessions

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

CASE SUMMARY

In July of 1992, Claimant was employed as an executive assistant by Respondent, DG European Securities Corporation. Claimant alleged that by September of 1994, she was twice promoted, and had become the Vice President of Sales. However, her uninterrupted success as an employee of Respondent hit a road block due to being sexual harassed by Hauke Andresen ("Andresen"), the President and Managing Director of Respondent. Claimant also alleged that Respondent engaged in the practice of sex discrimination against her.

Claimant alleged that starting in September of 1994, Andresen began to ask Claimant on dates, sent her countless "e-mail love messages" and other harassing notes over the Bloomberg Terminal at work. Claimant alleged that Andresen continued his harassing acts outside of the office. Specifically, Claimant alleged that Andresen appeared at her apartment uninvited and proceeded to grab her, and attempted to kiss her. Claimant also alleged that Andresen appeared at her apartment three days later where Andresen saw Claimant with another male friend, and in anger, Andresen suggested that Claimant start preparing her resume. In addition to the above, Claimant alleged that during DG Bank's (Respondent's parent company) Christmas party, Andresen embarrassed her by repeatedly asking her to slow dance, toasting to her, and pronounced that he had made reservations for the two of them at a trendy nightclub.

Claimant alleged that Andresen continued to use his position to pressure Claimant. Claimant alleged Andresen told her that she could expect a bonus of one-half her salary, however, when Claimant refused to spend Christmas with Andresen, Andresen allegedly requested that Claimant pass the Series 24 exam in order to receive a bonus. Claimant alleged that after she passed the Series 24 examination, Andresen declared that he would need to evaluate Claimant's work performance and suggested that he should fill out the form at Claimant's apartment. Claimant alleged that when she refused Andresen's visit, Andresen informed Claimant that she would not receive the bonus.

Claimant further alleged that on Saturday, February 11, 1995, Andresen requested that Claimant accompany him to search for an apartment for an intern from Germany. Claimant alleged that this request was highly unusual, because it was not customary to work on weekends or for the officers to go apartment hunting for an intern. Claimant alleged that when she refused to accompany Andresen, she received a suspension letter from Andresen.

In addition to the harassment claims, Claimant alleged that she was discriminated against, as she was consistently paid less than her male colleagues. Claimant further alleged that she was paid less than a male employee who performed jobs requiring less skill, effort, and responsibility. Claimant alleged that Stephan Lueck ("Lueck") a male, assistant Vice President, who reported to Claimant while she was a Vice President, allegedly earned a salary of approximately \$90,000.00 per year, while Claimant earned \$55,000.00. Finally, Claimant alleged that among the officers of Respondent she was the only one not to have an employment contract.

Claimant alleged that she was given paid leave while the Respondent investigated the Claimant's allegations of sexual harassment. Claimant further alleged that when she returned to work, she felt that her standing in the company had been materially diminished, and that her ability to communicate with male authority figures was significantly impacted. In addition, Claimant alleged that she suffered from "acute major depression" as a result of her experience.

Claimant alleged that Respondent should be held liable for not having a sexual harassment policy in place and that there was no procedure in place for an employee to complain of sexual harassment.

Respondent does not refute, nor does it admit the events that transpired between Claimant and Andresen and maintained that Andresen acknowledged the authenticity of the letters, a tape recording of a telephone call, and other documents that Claimant provided. Respondent maintained that based on this material evidence, Respondent conceded the impropriety of Andresen's actions. Respondent further maintained that with respect to the allegations that are not supported by any witness or tangible evidence, Andresen denied all allegations of harassment. In addition, Respondent specifically denied that any "top executives" of DG Bank observed any malicious behavior by Andresen. Respondent denied any allegations as to the bonus that was offered; Respondent contended that bonuses are given only when the company is profitable. Respondent maintained that since Respondent had been losing money over the past few years, as all employees knew, there were no bonuses.

Respondent maintained that Claimant had the responsibility to seek an apartment for the incoming intern, and that Claimant had failed to do so in timely fashion. Respondent maintained that due to Claimant's failure to locate an apartment, Andresen and other employees had to spend a part of their weekend hunting for an apartment. Thus, Respondent concluded that it was misleading for Claimant to claim that it was highly unusual for the President and Vice President to seek an apartment for an intern, on a weekend.

Respondent maintained that it took all the necessary actions to remedy the Claimant's situation. Respondent maintained that after Claimant complained to the Chairman of the Board, it promptly began an internal investigation. Respondent further maintained that when its own internal investigation showed that Andresen's acts were improper, Andresen was asked to resign within three months.

Respondent maintained that Claimant was allowed to take a leave of absence, with pay, while Andresen was still an employee. Respondent maintained that upon Andresen's departure, Claimant was offered her original position on the same terms and conditions that Claimant had previously. In addition, Respondent maintained that it offered to reimburse Claimant for all of the out-of-pocket medical and legal expenses that she incurred. Respondent alleged that Claimant declined to accept this offer.

In response to the allegation of sex discrimination, Respondent denied that all other officers had employment agreements. Respondent contended that Claimant was offered an employment contract that contained terms and conditions identical to another officer of Respondent, however, Claimant did not accept the agreement. Respondent denied the allegation that Claimant was consistently underpaid. Respondent maintained that although the officers had similar titles, they allegedly performed different roles, thus required different qualifications. Respondent conceded that Claimant was paid less than Lueck, however, Respondent contended that when Lueck joined the firm, he was already earning approximately \$95,000.00, and is more knowledgeable about the U.S. and international securities markets. In addition, Respondent maintained that Lueck's primary duty was to solicit clients and discuss individual investments, in contrast, Claimant spent little time soliciting sales, and was primarily engaged in order taking and administrative tasks. Respondent maintained that when Claimant returned to work she was offered a written employment contract which contained more favorable terms and conditions, however, Claimant declined the offer.

Respondent denied that Claimant had no outlet to report Mr. Andresen's alleged activities. Respondent asserted that Claimant knew that personnel administration was handled by DG Bank's New York Branch, and that Claimant was familiar with individuals in DG Bank's personnel department.

RELIEF REQUESTED

Claimant requested compensatory damage in the amount of \$500,000.00, in addition to medical expenses subsequent to December 31, 1996, legal and other costs that she has incurred.

Respondent requested that all claims be dismissed in their entirety.

AWARD

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

1. Respondent is liable and shall pay to the Claimant the sum of \$40,800.00;
2. Respondent is liable and shall pay to the Claimant the sum of \$750.00 representing reimbursement of the hearing session deposit paid by the Claimant;
3. Claimant's request for attorney's fees is denied; and,
4. All other requests for relief are denied.

FORUM FEES


Pursuant to Section 43(c) of the Code of Arbitration Procedure, the arbitrators have assessed the following Forum Fees:

Pre-Hearing Conference Fee:	\$ 300.00	(1 Session x \$300)
Hearing Session Fees:	<u>\$7,500.00</u>	(10 Sessions x \$750)
Total Forum Fees:	\$7,800.00	

1. Respondent is assessed the sum of \$7,800.00 representing the total forum fees assessed, less \$750.00 paid to Claimant, leaving \$7,050.00 due. Respondent is liable and shall pay to the NASD the sum of \$7,050.00.

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

ARBITRATORS' SIGNATURES


Marilyn J. Salzman, Esq.
Public Chairperson

Bennett A. Hall
Public Panelist

Robert L. Spangler
Industry Panelist

Date of Decision: November 20, 1996

I, Marilyn J. Salzman, Esq., do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that this is my decision in the above captioned matter.


Marilyn J. Salzman, Esq.

I, Bennett A. Hall, do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that this is my decision in the above captioned matter.

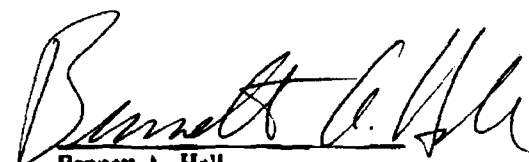
Bennett A. Hall

I, Robert L. Spangler, do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that this is my decision in the above captioned matter.

Robert L. Spangler

ARBITRATORS' SIGNATURES

Marilyn J. Salzman, Esq.
Public Chairperson


Bennett A. Hall
Public Panelist

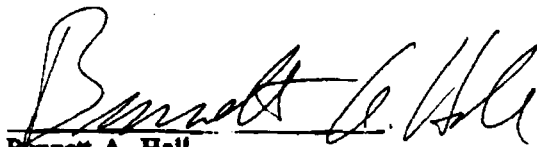
Robert L. Spangler
Industry Panelist

Date of Decision: November 20, 1996

I, Marilyn J. Salzman, Esq., do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that this is my decision in the above captioned matter.

Marilyn J. Salzman, Esq.

I, Bennett A. Hall, do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that this is my decision in the above captioned matter.



Bennett A. Hall


I, Robert L. Spangler, do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that this is my decision in the above captioned matter.

Robert L. Spangler

ARBITRATORS' SIGNATURES

Marilyn J. Salzman, Esq.
Public Chairperson

Bennett A. Hall
Public Panelist



Robert L. Spangler
Industry Panelist

Date of Decision: November 20, 1996

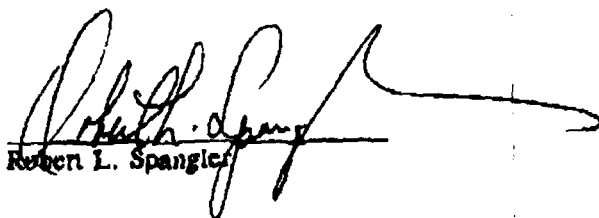
I, Marilyn J. Salzman, Esq., do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that this is my decision in the above captioned matter.

Marilyn J. Salzman, Esq.

I, Bennett A. Hall, do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that this is my decision in the above captioned matter.

Bennett A. Hall

I, Robert L. Spangler, do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that this is my decision in the above captioned matter.



Robert L. Spangler