

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimant

Gilford Securities, Inc.

vs.

Case No.
95-04484

Name of Respondent

James Dorney

REPRESENTATION

For Claimant Gilford Securities, Inc. ("Claimant"), Joel Levinson, Esq. in house counsel located in New York, New York.

Respondent James Dorney ("Respondent") did not appear at the hearing and is located in East Moriches, New York.

CASE INFORMATION

Claimant's Statement of Claim was filed on September 18, 1995.
Claimant's Submission Agreement was signed on September 19, 1995.

Respondent did not file a Statement of Answer nor sign a Submission Agreement.

HEARING INFORMATION

Hearing Dates/Sessions: June 1, 1999 - 1 session.

The hearing was conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleges that Respondent joined the Claimant firm as a Registered Representative on or about July 11, 1994. Claimant also alleges that during Respondent's employment he voluntarily signed a note for unsecured debits in several accounts. Claimant further alleges that when Respondent's employment with the firm terminated on May 5, 1995, he still owed the firm a balance of \$29,427.00 for unsecured debits in two accounts. Claimant contends that after several attempts to collect these funds, Respondent agreed to a payment schedule but failed to make the payments as agreed.

Respondent did not file a Statement of Answer or appear at the hearing to defend this claim.

RELIEF REQUESTED

Claimant requests an award of \$29,427.00, interest from May 5, 1995 until paid, cost of collection, and such other relief as the arbitration panel deems just and proper.

OTHER ISSUES CONSIDERED & DECIDED

The party who attended the hearing has 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, that party has agreed to receive conformed copies of the Award while the original remains on file with NASD Regulation, Inc.

The panel made the following determinations concerning Respondent James Dorney who did not file a Statement of Answer or a Submission Agreement and did not appear at the hearing in this matter:

1. Pursuant to Rule 10101 of the *NASD Code of Arbitration Procedure* (the "*Code*"), the arbitrators found subject matter jurisdiction over this entire controversy.
2. The panel found that Respondent was a person associated with a member of the NASD at the time this controversy arose. Accordingly, the panel found personal jurisdiction over him pursuant to Rule 10301 of the *Code*.
3. The panel found that Respondent was required to file a Statement of Answer and Submission Agreement with NASD Regulation pursuant to Rule 10314(b) of the *Code*. In this regard, the panel found that the Statement of Claim was properly served upon him pursuant to Rule 10314 (a) of the *Code*.
4. In accordance with Rules 10310, 10315 and 10318 of the *Code*, the panel found that NASD Regulation provided Respondent with "due notice" of the hearing conducted in this matter by regular and certified mail. The panel further determined to proceed with the hearing without him whose absences were unexcused.

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 is liable and shall pay Claimant \$29,427.00 in compensatory damages;
2. Respondent is also liable and shall pay Claimant pre and post-judgment interest at a rate

of nine percent from May 5, 1995 until the date of payment; and,

3. Respondent is further liable and shall reimburse Claimant the \$500.00 filing fee and the \$400.00 which Claimant deposited with NASD Regulation. See the Forum Fees portion of this decision.

OTHER COSTS

Pursuant to Rule 10333 of the *Code* Claimant has paid NASD Regulation the \$200.00 member surcharge previously invoiced.

Pursuant to Rule 10319 of the *Code*, Respondent is assessed a \$600.00 fee, which he paid, for the requested the postponement of the May 1 and 2, 1996 hearings.

FORUM FEES

Pursuant to Rule 10205(c) of the *Code*, the arbitrators have determined that NASD Regulation, Inc. will retain the \$500.00 non-refundable filing fee paid by Claimant and have assessed the following Forum Fees:


\$600.00 - 1 Hearing Session @ \$600.00 per session

1. Respondent is liable and shall pay NASD Regulation the sum of \$600.00, representing the forum fees assessed. Respondent shall satisfy this fee by reimbursing Claimant \$400.00 as ordered in paragraph 3 in the Award position of this decision and by remitting \$200.00 to NASD Regulation.

ARBITRATION PANEL

Therese M. Obringer, Esq.	-	Industry Chairperson
Robert L. Spangler	-	Industry Arbitrator
Sheldon Lasher	-	Industry Arbitrator

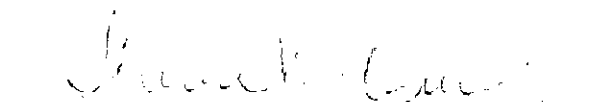
CONCURRING ARBITRATOR'S SIGNATURE



Therese M. Obringer, Esq.

Date of decision: June 23, 1999

I, **Therese M. Obringer, Esq.**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

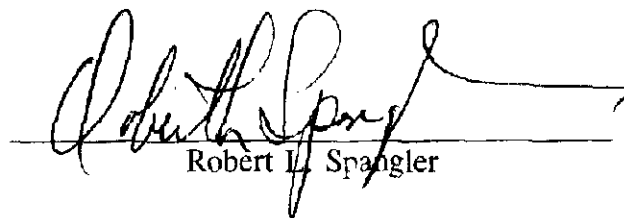


Therese M. Obringer, Esq.

ARBITRATION PANEL

Therese M. Obringer, Esq.	-	Industry Chairperson
Robert L. Spangler	-	Industry Arbitrator
Sheldon Lasher	-	Industry Arbitrator

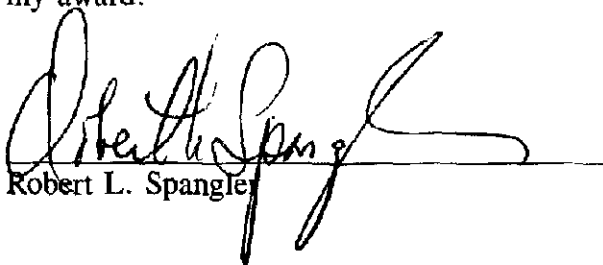
CONCURRING ARBITRATOR'S SIGNATURE



Robert L. Spangler

Date of decision: June 23, 1999

I, **Robert L. Spangler**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Robert L. Spangler

ARBITRATION PANEL

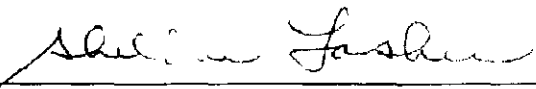
Therese M. Obringer, Esq.	-	Industry Chairperson
Robert L. Spangler	-	Industry Arbitrator
Sheldon Lasher	-	Industry Arbitrator

CONCURRING ARBITRATOR'S SIGNATURE


Sheldon Lasher

Date of decision: June 23, 1999

I, **Sheldon Lasher**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Sheldon Lasher