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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

GKN Securities Corp.

95-04865

Name of Respondent

Mario G. DiDomenico

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Securities Dealers, Inc.

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 16, 1995, GKN Securities Corp. ("GKN") who appeared through its representative and in-house counsel Katherine Nathan, Esq., alleged that Respondent Mario DiDomenico failed to pay monies owed to the Claimant. GKN stated that it is a registered broker dealer and that in August of 1994, Respondent commenced employment as a registered representative at GKN. GKN further alleged that Respondent executed a Uniform Application for Securities Industry Registration or Transfer ("U-4") which stated that Respondent agreed to arbitrate any dispute or controversies between Respondent and GKN. GKN contended that in August 1994, Respondent entered into an Association Agreement with GKN which provided that at the sole option of GKN all disputes between the parties would be arbitrated using the facilities of the National Association of Securities Dealers. GKN further contended that the Association Agreement stated that the Respondent would repay GKN for certain expenses and would indemnify GKN for unsecured customer debits. GKN asserted that in August 1994, Respondent also signed an Increased Payout Agreement in which Respondent agreed to repay to GKN the excess commission paid to Respondent over the standard commission grid should Respondent terminate employment at GKN for any reason prior to September 1995. GKN further asserted that the Respondent's employment with GKN terminated before September 1995 and that the excess commission paid to Respondent totalled \$1,843.13 which the Respondent has not repaid in full. GKN maintained that by reason of the above agreements, Respondent currently owes \$8,271.18 which the Respondent has failed to pay. The Claimant further maintained that due to the wrongdoing of the Claimant, it has suffered damages for which the Respondent should be held liable.

Respondent Mario G. DiDomenico failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

In accordance with Section 10 of the NASD Code of Arbitration Procedure, Respondent Mario G. DiDomenico was served with a copy of the claim by regular mail and was given an opportunity to respond, which he failed to do. In addition, service of the notice of the Arbitrator's identity was effected as evidenced by the signed return receipt card on file at the NASD.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent Mario G. DiDomenico 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.

RELIEF REQUESTED

Claimant GKN Securities Corp. requested \$8,271.18 in actual damages, plus interest. The Claimant also requested costs, attorney's fees, and any other relief the arbitrator may have deemed just and proper.

Respondent Mario G. DiDomenico failed to file an Answer to the Statement of Claim.

AWARD SUMMARY

Pursuant to Section 10 of the NASD, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, Samuel P. Peluso, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 2, 1995 but 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 Mario DiDomenico is liable and shall pay to Claimant GKN Securities Corp. \$8,271.18 in actual damages.
2. The Claimant's request for interest is denied.
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.

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Affirmation

STATE OF

} SS:

COUNTY OF

I, Samuel P. Peluso, 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.

Samuel P. Peluso

Signature of Arbitrator

DATE OF DECISION: June 18, 1996

Procedure, a single final determination of the dispute, shall be made by the arbitrator in accordance with the rules of procedure of the American Arbitration Association (AAA) or such other rules as the parties may agree upon in writing. The arbitrator's decision shall be final and binding on the parties. This award is made by the arbitrator in accordance with the rules of procedure of the American Arbitration Association (AAA) or such other rules as the parties may agree upon in writing. The arbitrator's decision shall be final and binding on the parties.