

NASD REGULATION, INC.

In the Matter of the Arbitration Between

Name of Claimant

GKN Securities Corp.

96-00079

Name of Respondent

David Yorwerth

REPRESENTATION

For Claimant, GKN Securities Corp. ("Claimant"), appeared Katherine Nathan, Esq. of GKN Securities Corporation located in New York, New York.

Respondent, David Yorwerth ("Yorwerth"), appeared *pro-se*.

CASE INFORMATION

Statement of Claim filed: December 8, 1995.

Claimant's Submission Agreement signed on: December 8, 1995.

Respondent's Submission Agreement signed on: October 23, 1996.

Respondent did not file a Statement of Answer as required by Rule 10314(b) of the Code of Arbitration Procedure.

HEARING INFORMATION

Hearing Date/Sessions: October 23, 1996 - One Session

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

CASE SUMMARY

Claimant alleged that it is a registered broker-dealer and a member firm of the National Association of Securities Dealers. Claimant alleged that on or about October 25, 1994, Yorwerth commenced employment

with Claimant as a registered representative and executed a Uniform Application for Securities Industry Registration or Transfer ("U-4"). Claimant alleged that the U-4 provided that disputes between the parties would be settled by arbitration. Claimant alleged that on October 25, 1995, Claimant and Yorwerth also entered in to an Association Agreement ("Agreement") which provided that all disputes between Claimant and Yorwerth would be arbitrated by the NASD. Claimant alleged, that under the Agreement, Yorwerth agreed to repay Claimant for certain expenses and unsecured customer debts. Claimant contended that Yorwerth incurred a debit of \$10,510.97 in expenses and/or unsecured customer debts covered by the Agreement. Claimant also contended that on November 22, 1994, Yorwerth received an advance from Claimant for \$2,500 and signed a promissory note for that amount. Claimant alleged that the terms of the promissory note provided that the full amount of the promissory note would become due and payable if Yorwerth's employment with Respondent should terminate for any reason and interest would be charged at the rate of 1 % per month for each month a payment was not made. Claimant further alleged that Yorwerth's employment with Claimant was terminated on April 27, 1995. Claimant asserts that by reason of the foregoing, Yorwerth owes it \$11,760.97 (\$10,510.97 in expenses and/or unsecured customer debts and the \$1250.00 balance on the promissory note) plus interest..

RELIEF REQUESTED

Claimant, GKN Securities Corporation, requested that they be awarded the sum of \$11,760.97 together with interest, costs of the proceedings, attorneys' fees and any and all additional relief as the arbitrators may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

1. Claimants, through their attorney, made a Motion to Bar Respondent from presenting any motions, arguments or defenses for his failure to submit an Answer to the Statement of Claim pursuant to Rule 10314(b)(2)(B) of the Code of Arbitration Procedure.
2. The arbitrator found that the Statement of Claim was properly served on Respondent pursuant to Rule 10314(a) of the Code of Arbitration Procedure. In addition, the arbitrator found that Respondent was also served an "Overdue Letter" on March 21, 1996 by certified mail, return receipt requested. Based on these findings the panel granted Claimant's Motion to Bar Respondent from presenting any motions, testimony or evidence at the hearing.

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, David Yorwerth, is liable and shall pay to Claimant, GKN Securities Corp., \$11,000.97 excluding interest.
2. Parties are to bear their own costs, including attorney's fees; and,
2. All other requests for relief are denied.

FORUM FEES

Pursuant to Section 10332 of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. shall retain the \$500.00 non-refundable filing fee previously deposited by Claimant and have assessed the following forum fees:

Total Forum Fees:	\$600.00	(1 Session x \$600)
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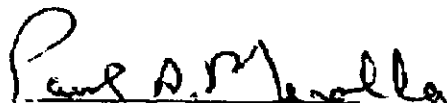
Claimant, GKN Securities Corp., is assessed \$300.00 representing one-half of the total amount of forum fees assessed. Claimant previously deposited \$600.00 and will receive refunded of \$300.00 from NASD Regulation, Inc.

Respondent, David Yorwerth is assessed \$300.00 representing one-half of the total forum fees as due. Respondent is liable and shall pay to NASD Regulation, Inc. the sum of \$300.00.

Fees are payable to the NASD Regulation, Inc.

ARBITRATORS' SIGNATURES

I, Paul A. Merolla, 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.



Paul A. Merolla, Esq.
Industry Chairperson

I, Franklin I. Ogele, 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.

Franklin I. Ogele, Esq.

I, Mark Hammaren, 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.

Mark Hammaren

Date of Decision: March 31, 1997

ARBITRATORS' SIGNATURES

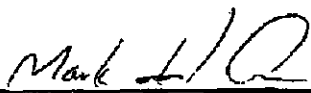
I, Paul A. Merolla, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Paul A. Merolla, Esq.
Industry Chairperson

I, Franklin I. Ogele, 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.

Franklin I. Ogele, Esq.

I, Mark Hammaren, 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.


Mark Hammaren

Date of Decision: March 31, 1997

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Industry Chairperson

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I, Mark Hammaren, 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.

Mark Hammaren

Date of Decision: March 31, 1997