

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

GKN Securities Corp.

96-00465

Name of Respondent

Hector Durant, II

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 31, 1996, claimant GKN Securities Corp. ("claimant"), who appeared through its representative and in-house counsel, Katharine Nathan, Esq., alleged that respondent Hector Durant, II ("respondent"), failed to repay money owed to it. Claimant further alleged that on or about May 7, 1995, respondent commenced employment with it as a registered representative executing a Securities Industry Registration or Transfer in which he agreed to arbitrate any disputes with it. Claimant also alleged that on or about April 31, 1995, respondent executed an Association Agreement ("AA") with it wherein it retained the option to use the National Association of Securities Dealers arbitration facilities. Claimant contended that the AA provided that respondent would repay it expenses and/or unsecured customer debits and that \$2,057.05 of such debt remains unpaid. Claimant further contended that respondent executed a Draw Agreement under which he received \$6,000.00 and has not repaid. Claimant also contended that in May, June and July of 195, respondent executed three \$2,000.00 promissory notes which provided that should his employment terminate for any reason repayment of the debt would accelerate and become due immediately. Claimant asserted that respondent's employment terminated with it on or about August 7, 1995 and that a total of \$8,057.05 remains in debt remains unpaid.

Respondent Hector Durant, II failed to file a Statement of Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant GKN Securities Corp. requested \$8,057.05 in actual damages plus interest, costs, attorneys' fees, and any and all additional relief as the arbitrators may deem just and proper.

Respondent Hector Durant, II failed to file a Statement of Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

Pursuant to Section 10203 of the NASD Code of Arbitration Procedure, the respondent Hector Durant, II, was sent the Statement of Claim via regular mail and was given an opportunity to respond which he failed to do.

Pursuant to the by-laws of the NASD, the arbitrator determined that respondent Hector Durant, II, 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.

AWARD

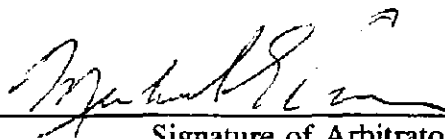
Pursuant to Section 10203 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Michael Curan, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the claimant on January 16, 1996, and not by Hector Durant, II, as is required by Sections 10201 and 10203 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 Hector Durant, II is liable and shall pay to claimant GKN Securities Corp \$8,057.05 in actual damages.
2. Respondent Hector Durant, II is liable and shall pay to claimant GKN Securities Corp interest at the rate of 9% per annum from August 8, 1995 to the date of the award.
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.
5. All other relief requests are denied.

AFFIRMATION

I, **MICHAEL E. CURAN, ESQ.**, do hereby swear or 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.

A handwritten signature in cursive script, appearing to read "Michael E. Curan", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: November 27, 1996