

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

GKN Securities Corp.

96-00483

Name of Respondent

Raul Montero

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on February 1, 1996, Claimant GKN Securities Corp. ("Claimant"), through its representative and in-house counsel Katherine Nathan, Esq., alleged that on or about October 4, 1994, Respondent Raul Montero ("Respondent") commenced employment with it as a registered representative and executed both a Uniform Application for Securities Industry Registration or Transfer ("U-4") and an Association Agreement ("AA"). Claimant further alleged that the U-4 in conjunction with the AA provide that disputes will be submitted for arbitration at the NASD. Claimant contended that the AA also provides that Respondent will repay GKN for expenses and/or unsecured customer debits which he owes it in the amount of \$517.61. Claimant further contended that Respondent signed a promissory notes for additional amounts which he has failed to repay. Claimant alleged that as a result of the above, it has suffered a loss for which the Respondent should be held liable.

Respondent Raul Montero failed to file a Statement of Answer to the Statement of Claim.

**RELIEF REQUESTED**

Claimant GKN Securities, Inc. requested \$3,717.61 in actual damages plus interest, costs, attorney's fees and any relief the arbitrator may deem just and proper.

Respondent Raul Montero failed to file a Statement of Answer to the Statement of Claim.

**OTHER ISSUES CONSIDERED AND DECIDED**

Pursuant to Section 10 of the NASD Code of Arbitration Procedure, the Respondent Raul Montero was sent the Statement of Claim via regular mail and was given an opportunity to respond which he failed to do. In addition, the Respondent was sent an overdue answer notice and the notice of the identity of the arbitrator via certified mail and it was received as evidenced by the signed return receipt card on file at the NASD.

In accordance with the by-laws of the NASD, the arbitrator determined that Respondent Raul Montero has notice of the claim and was required to submit to this proceeding; and is, therefore, bound by the arbitrator's ruling and determination.

### **AWARD**

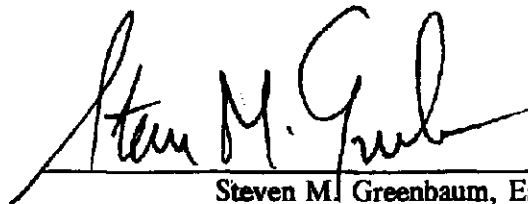
Pursuant to Section 10 of the NASD, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, Steven M. Greenbaum, Esq. was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on December 28, 1995, and not by the Respondent as is 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. The Respondent Raul Montero is liable and shall pay to the Claimant GKN Securities, Corp. \$3,717.61 in actual damages.
2. The parties shall bear their respective costs.
3. 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. The Respondent Raul Montero is liable and shall pay to the Claimant GKN Securities, Corp. \$575.00 as reimbursement of the filing fees.
4. All other relief requests are denied.

### **AFFIRMATION**

I, **STEVEN M. GREENBAUM, ESQ.**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
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Steven M. Greenbaum, Esq.

DATE OF DECISION: April 24, 1996