

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Donald & Co. Securities, Inc.

96-02256

Name of Respondents

Louis P. Arena

REPRESENTATION

For Claimant, Donald & Co. Securities, Inc., appeared Kenneth A. Elan, Esq., a sole practitioner located in New York, New York.

Respondent Louis Arena appeared pro se.

CASE INFORMATION

Statement of Claim filed: May 22, 1996

Claimant's Submission Agreement signed on: May 23, 1996

Statement of Answer filed by Respondent, Louis Arena on: July 18, 1996

Respondent, Louis Arena did not execute a Submission Agreement as required by Rule 10314(b) of the Code of Arbitration Procedure.

HEARING INFORMATION

Hearing Date/Sessions: February 10, 1997 (1 Session)

Hearing Location: NASD Regulation, Inc.
New York, New York

CASE SUMMARY

Claimant alleged that Respondent's employment with Claimant terminated as of February 16, 1995, and at that time Respondent elected to remain on Claimant's health plan. Claimant alleged that pursuant to the terms of the COBRA coverage, Respondent was to make monthly payments of \$536.72 commencing March 1995. Claimant alleged that Respondent made his required payment on March 21, 1995, however, omitted to make any further monthly payments thereafter.

Claimants alleged that Respondent submitted claims for reimbursement totaling \$11,997.50 on behalf of his wife. Claimant further alleged that as a self funded plan, Claimant was required to and did pay the sum of \$11,997.50 in claims submitted by Arena despite the fact that he failed to pay for his continued medical coverage.

Finally, Claimant alleged that since Respondent did not make any COBRA payments after March 1995, he was not entitled to any medical benefits. Claimant alleged that as a result Respondent is indebted to Claimant in the amount of \$11,997.50 and that despite prior demands for reimbursement, Respondent has refused to make such payments.

Respondent maintained that while he was employed by Claimant he and his family were insured under the health plan available through Claimant. Respondent maintained that when he left Claimant in February 1995 he was covered by the Claimant's COBRA policy. Respondent maintained that he paid the continuation premiums as required.

Respondent maintained that in April 1995 his wife was hospitalized for surgery and that the cost of the surgery was covered by the insurance purchased through Claimant. Respondent further maintained that it was not until January 1996 that he found out there was a problem with the insurance and was told that the insurance company did not receive the premium for April.

Respondent maintained that he paid all premiums for the insurance when due, and that the insurance should not have been canceled. Respondent further maintained that to the extent that Claimant has paid the medical bills, it should not have, and that Claimant's claim, if any, is against the insurance company and not the Respondent.

RELIEF REQUESTED

Claimants requested an award in the amount of \$11,997.50 together with interest, the cost of the arbitration and reasonable attorney's fees.

Respondent requested that all claims be dismissed in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

The parties have 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, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Louis Arena, is liable and shall pay to Claimant, Donald & Co. Securities, Inc., the sum of \$11,997.50, excluding interest;
2. Respondent, Louis Arena is liable and shall pay to the Claimant, Donald & Co. Securities, Inc., the sum of \$300.00 representing reimbursement of the hearing session deposit paid by the Claimant;
3. The parties shall bear their respective costs, including attorney's fees; and,
4. All other requests for relief are denied.

FORUM FEES

Hearing Session Fees: \$300.00 (1 Session x \$300.00)

1. Respondent, Louis Arena, is assessed \$300.00 representing the total forum fees due, less \$300.00 paid to Claimant as reimbursement for the hearing session deposit, leaving \$0.00 due.

Fees are payable to the NASD Regulation, Inc.

ARBITRATOR'S SIGNATURE

I, **Diane J. Getzler**, do hereby affirm, pursuant to Article 7505 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my decision in the above referenced matter.


Diane J. Getzler, Esq.

Date of Decision: May 20, 1997