

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

The Christie Group

Case No. 99-01325

Name of Respondents

S.G. Cowen Securities Corp.
Lawrence Cohen
Anthony DePalma
Ronald Flipowitz
Thomas Schwartz
Robert Benjamin

consolidated with Case No. 99-04762

Name of Claimant

GKN Securities Corp. (n/k/a Southeast Research Partners, Inc.)

Name of Respondents

Sean Boyle, d/b/a The Christie Group

Hearing Location: Boston, MA

REPRESENTATION OF PARTIES

Claimant ("The Christie Group") and Respondent Sean Boyle ("Boyle") were represented by Gary B. Glusgol, Attorney at Law, Peabody, MA.

Respondents S.G. Cowen Securities, Corp. ("SG Cowen"), Lawrence Cohen ("Cohen"), Anthony DePalma ("DePalma"), Ronald Flipowitz ("Flipowitz"), Thomas Schwartz ("Schwartz") and Robert Benjamin ("Benjamin"), hereinafter collectively referred to as "SG Cowen Group" were represented by Peter Byer, Assistant General Counsel of SG Cowen, New York, NY.

GKN Securities Corp. (n/k/a Southeast Research Partners, Inc.) ("GKN") was represented by David W. Schmidt, Esq. from the law firm of Lubiner & Schmidt, Kenilworth, NJ.

CASE INFORMATION

Statement of Claim filed on: March 18, 1999

The Christie Group's Uniform Submission Agreement was executed by Sean Boyle, Sole Owner on: April 8, 1999

Joint Statement of Answer filed by the SG Cowen Group on: June 19, 1999

SG Cowen's Uniform Submission Agreement was executed by Arthur Stavarides, Managing Director on: June 29, 1999

Cohen signed his Uniform Submission Agreement on: June 7, 1999

DePalma signed his Uniform Submission Agreement on: June 7, 1999

Flipowitz signed his Uniform Submission Agreement on: June 7, 1999

Schwartz signed his Uniform Submission Agreement on: August 6, 1999

Benjamin signed his Uniform Submission Agreement on: June 7, 1999

Claimant in Case No. 99-04762, GKN, Statement of Claim filed: October 20, 1999

GKN's Uniform Submission Agreement was executed by Herbert O. Sontz, Senior Vice President and General Counsel of GKN on: December 28, 1999

Respondent Sean Boyle did not execute a Uniform Submission Agreement nor did he file an answer the GKN Statement of Claim.

CASE SUMMARY

The Christie Group asserted the following causes of action: breach of contract; fraud; civil conspiracy, interference with business relations; conversion; violation of Massachusetts General Law 93A; failure to supervise; breach of implied covenant of good faith and fair dealing. The causes of action relate to the order execution of EBAY, Inc. and Amazon.com stock.

Unless specifically admitted in its Answer, SG Cowen Group denied the allegations made in the Statement of Claim and maintained that neither SG Cowen nor any of its personnel violated any securities laws or regulations in the handling of these transactions and subsequent thereto. SG Cowen Group maintained that Boyle and the Christie Group attempted to enter trades which may have been improper short sales.

GKN asserted the following causes of action: improper short selling in violation of the state and federal securities laws. GKN alleged that Boyle was required to deliver 7,000 shares of EBAY on March 5, 1999 and 4,000 shares of EBAY on March 8, 1999 to GKN. GKN alleged that Boyle did not own the shares of EBAY and sold the stock short. GKN alleged that the stock price went up after Boyle placed the sell orders and Boyle refused to purchase the stock from another source in order to cover his sell orders. GKN alleged that because the buy-in price exceeded the sell price of EBAY, GKN sustained damages.

Boyle did not file a written answer to GKN's claim.

RELIEF REQUESTED

The Christie Group requested:

Compensatory Damages	\$3,256,435
Punitive Damages	unspecified
Interest	12% per annum
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Relief	unspecified

SG Cowen Group requested that the Christie Group's claim be dismissed, and that they be reimbursed for expenses, including expert witness fees and travel costs in the amount of \$28,850.69.

GKN requested that it be awarded expenses, including attorneys' fees, in the amount of \$47,379.43 plus compensatory damages in the amount of \$397,033, plus interest at 9% totalling \$39,814.40; plus filing fees in the amount of \$2,500.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing GKN and the Christie Group made a joint motion to consolidate NASD Case 99-01325 with 99-04762, said motion was granted by the panel.

Boyle did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration nor file an answer but having appeared and testified at the hearing has agreed to submit these issues and be bound by the determination of this arbitrator panel ("Panel") on all issues submitted.

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.

AWARD

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

1. The Christie Group's claim against SG Cowen and the named respondents is denied in its entirety.

2. The Christie Group's claim for punitive damages is denied in its entirety.
3. The Panel award the sum of \$47,379 to GKN for expenses incurred. This sum to be paid to GKN (n/k/a Southeast Research Investors) from the escrow fund presently held by SG Cowen.
4. The Panel further award GKN (n/k/a Southeast Research Investors) the sum of \$439,347 as damages. This sum is to be paid from the escrow fund held by SG Cowen.
5. The balance of the escrow fund, after payment of the above amounts and the fees referenced below, including interest earned to date, to be retained by SG Cowen.
6. Forum fees shall be paid by SG Cowen from its escrow account in the amount indicated below.
7. That any claims for relief not specifically addressed herein are denied in their entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees on Case 99-01325

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$ 600

Filing Fees on Case 99-04762

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$ 1,000

Member Fees on Case 99-01325

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is the Respondent firm.

Member surcharge	= \$ 2,500
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$ 4,500

Member Fees on Case 99-04762

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is the Claimant firm.

Member surcharge	= \$ 1,500
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$ 2,500

Adjournment Fees on Case 99-01325

Adjournment requested during these proceedings:

Hearing Dates January 18, 19 and February 8, 2000 were adjourned by GKN = \$ 1,200

Forum Fees and Assessments for the consolidated case

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session with a single arbitrator x \$450 = \$ 450

Pre-hearing conference: January 18, 2000 1 session

1 Pre-hearing session with Panel x \$1,200 = \$ 1,200

Pre-hearing conference: November 2, 1999 1 session

6 Hearing sessions x \$1,200 = \$7,200

Hearing Dates: March 22, 2000 2 sessions

March 23, 2000 1 session

March 28, 2000 2 sessions

March 29, 2000 1 session

Total Forum Fees = \$ 8,850

1. The Panel has assessed the forum fees of \$8,850 against SG Cowen so that these fees are paid out of SG Cowen's escrow account.

Fee Summary

The Christie Group is assessed the following fees:

Initial Filing Fee = \$ 600

Total Fees = \$ 600

Less payments = \$1,800

Refund to The Christie Group = \$1,200

SG Cowen is assessed the following fees:

Member Fees = \$ 2,500

Processing Fees = \$ 5,100

Forum Fees = \$ 8,850

Less payments = \$5,400

Balance Due NASD Regulation, Inc. = \$11,050

Claimant GKN in Case 99-04762

Type Filing Fee = \$ 1,000

Member Fees = \$ 1,500

Adjournment Fee = \$ 1,200

Processing Fees = \$ 3,100

Total Fees = \$ 6,800

Less payments = \$ 3,625

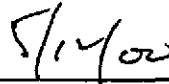
Balance Due NASD Regulation, Inc. = \$ 3,175

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures



David Love, Chairperson
Public Arbitrator



Date Award Signed

Brenda R. Katz, Panelist
Public Arbitrator

Date Award Signed

Christine Armstrong, Esq., Panelist
Non-Public Arbitrator


Date Award Signed

Date Award Served by NASD Regulation, Inc: May 17, 2000

Concurring Arbitrators' Signatures

David Love, Chairperson
Public Arbitrator

Date Award Signed


Brenda R. Katz, Panelist
Public Arbitrator

5/16/00

Date Award Signed

Christine Armstrong, Esq., Panelist
Non-Public Arbitrator

Date Award Signed

Date Award Served by NASD Regulation, Inc. May 17, 2000


Concurring Arbitrators' Signatures

David Love, Chairperson
Public Arbitrator

Date Award Signed

Brenda R. Katz, Panelist
Public Arbitrator

Date Award Signed



Christine Armstrong, Esq., Panelist
Non-Public Arbitrator

5-12-00

Date Award Signed

Date Award Served by NASD Regulation, Inc: May 17, 2000