

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

First Montauk Securities Corp., (Claimant) vs. John Knier, (Respondent)

Case Number: 99-01406

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, First Montauk Securities Corp., hereinafter referred to as "Claimant": Lloyd S. Clareman, Esq., a sole practitioner, New York, NY.

Respondent, John D. Knier, hereinafter referred to as "Respondent": appeared *pro se*.

CASE INFORMATION

Statement of Claim filed on or about: March 22, 1999.

Claimant signed the Uniform Submission Agreement: January 29, 1999.

Statement of Answer filed by Respondent on or about: June 12, 2000.

Respondent did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: Respondent is liable to Claimant for the cost of settling two customer complaints, and for unpaid advances and expenses, pursuant to the terms of his Affiliate Agreement.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: at the time of the claims Respondent was an employee of Claimant, therefore the Affiliate Agreement was no longer in effect and at no time did Respondent enter into a verbal or written agreement to reimburse Claimant for the advances and expenses in question.

RELIEF REQUESTED

Claimant requested an Award in the amount of \$143,903.85, consisting of \$133,334.00 for the settlement of customer complaints, and \$10,569.85 for unpaid advances and expenses; interest at 9% per annum; all costs of this proceeding; and reasonable attorneys' fees.

During the hearing in this matter, Claimant made an oral amendment reducing its total damages to \$120,001.00, plus expenses.

Respondent requested that he not be held responsible for any of the claims in the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

AWARD

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

1. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$60,000.00 as compensatory damages.
2. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$1,000.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the

member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, First Montauk Securities Corp. is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Forum Fees and Assessments

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:

Two (2) Pre-hearing sessions with Panel x \$1,125.00	= \$2,250.00
Pre-hearing conferences: May 1, 2000	1 session
June 12, 2000	1 session
Two (2) Hearing sessions x \$1,125.00	= \$2,250.00
Hearing Date: September 18, 2000	2 sessions
Total Forum Fees	= \$4,500.00

1. The Panel has assessed \$2,250.00 of the forum fees against Claimant.
2. The Panel has assessed \$2,250.00 of the forum fees against Respondent.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$4,600.00
Forum Fees	= \$2,250.00
Total Fees	= \$7,850.00
Less payments	= \$7,325.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 525.00
2. Respondent be and hereby is solely liable for:


Forum Fees	= \$2,250.00
Total Fees	= \$2,250.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,250.00

All balances are due and payable to NASD Dispute Resolution, Inc.

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Concurring Arbitrators' Signatures

I, the undersigned arbitrator, 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.


Virginia Kalli Sourlis, Esq.
Industry Arbitrator, Presiding Chair

10/5/00
Signature Date

George F. Janos
Industry Arbitrator

Signature Date

Randolph Guggenheimer, Jr., Esq.
Industry Arbitrator

Signature Date

October 12, 2000

Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, 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.

Virginia Kali Sourlis, Esq.
Industry Arbitrator, Presiding Chair

Signature Date

George F. Janos
Industry Arbitrator

Signature Date 10/9/2000

Randolph Guggenheimer, Jr., Esq.
Industry Arbitrator

Signature Date

October 12, 2000

Date of Service (For NASD office use only)



Concurring Arbitrators' Signatures

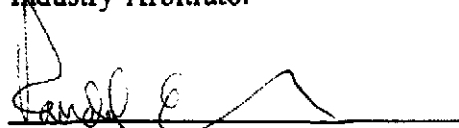
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Virginia Kali Sourlis, Esq.
Industry Arbitrator, Presiding Chair

Signature Date

George F. Janos
Industry Arbitrator

Signature Date



Randolph Guggenheimer, Jr., Esq.
Industry Arbitrator

10/4/00

Signature Date

October 12, 2000
Date of Service (For NASD office use only)