

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

James A. Drummond

NASD Arbitration  
No.92-00756

Name of Respondent

Hugh Gee & Co., Inc.  
Hugh Gee  
Terrence Gee

REPRESENTATION

For Claimant: Richard Sacks, Investors Recovery Service, Novato, California

For Respondents: Jerome Berg, Esq., San Francisco, California

CASE INFORMATION

Statement of Claim filed: March 3, 1992

Claimant's Submission Agreement signed on: January 23, 1992

Joint Statement of Answer filed: April 16, 1992

Respondents' Submission Agreements signed: April 30, 1992

HEARING INFORMATION

Hearing Dates/Sessions:

August 5, 1992	-	1 Session
November 3, 1992	-	2 Sessions
November 4, 1992	-	2 Sessions
December 2, 1992	-	3 Sessions
December 3, 1992	-	1 Session

Hearing Location: San Francisco, California

CASE SUMMARY

Claimant alleged misrepresentation and lack of suitability with respect to an investment made in Commonwealth Equity Trust, a real estate investment trust, in November 1987.

Respondents denied the allegations, and asserted that the investment was appropriate for Claimant, and that Claimant did not heed a recommendation to sell the CET investment at a profit.

RELIEF REQUESTED

Claimant requested rescission of the CET investment and damages of \$82,000.00.

Respondents requested dismissal of all claims.

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 arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted against Hugh Gee and Terrance Gee are dismissed.
2. Hugh Gee & Co. is liable for and shall pay to Claimant the sum of \$80,000.00 upon delivery of Claimant's shares of Commonwealth Equity Trust.
3. The parties shall each bear their respective costs and fees including attorney's fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed:

Claimant is assessed:

6 sessions @ \$500/session	=	\$3,000.00
<u>Credit for deposit</u>	=	<u>\$ 500.00</u>
Balance Due	=	\$2,500.00

Respondent Hugh Gee & Co. is assessed:

5 sessions @ \$500/session	=	\$2,500.00
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Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

Public/Industry  
Public Chairperson  
Public Panelist  
Industry Panelist

Signatures

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Terrence W. Dorsey

Date of Decision: 1/4/93

Served 1/7/93