

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

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In the Matter of the Arbitration Between

**Name of Claimant**

Hamilton Investments, Inc.

94-02083

**Name of Respondent**

Ronald D. Ree

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**REPRESENTATION**

Claimant, Hamilton Investments, Inc. was represented by Michael A. Kraft, Esq. of Gombert Kane & Fischer, Ltd., Chicago, Illinois.

Respondent, Ronald D. Ree appeared pro se.

**CASE INFORMATION**

The Statement of Claim was filed with the National Association of Securities Dealers, Inc. ("NASD") on June 1, 1994.

Claimant, Hamilton Investment, Inc.'s Submission Agreement was signed on May 25, 1994 by Allison Shank, General Counsel and Secretary of Hamilton Investments, Inc.

Respondent, Ronald D. Ree failed to file a Statement of Answer or executed submission agreement with the NASD. However, Respondent, Ronald D. Ree is obligated to submit to the jurisdiction of the NASD for purposes of resolving this dispute in accordance with Section 8 of the NASD Code of Arbitration Procedure ("NASD Code").

**HEARING INFORMATION**

The hearing took place on June 30, 1995 and lasted for one (1) hearing session.

The hearing location was Minneapolis, Minnesota.

### **CASE SUMMARY**

Claimant, Hamilton Investments, Inc. ("Hamilton") alleged that Respondent, Ronald D. Ree ("Ree") was an employee of Hamilton. Hamilton and Ree entered into a contractual agreement wherein Ree signed a promissory note on April 15, 1992 for repayment of a \$25,000 loan made to him by Hamilton. Ree agreed to repay Hamilton the \$25,000 in one lump sum payment on demand, that the note would be forgiven if Ree remained in the employment of Hamilton for three years from the date of its execution and that the entire amount of the note would become due and payable to Hamilton in the event Ree did not remain employed by Hamilton for the entire term of the note. Ree left the employment of Hamilton on January 19, 1993. Despite demand by Hamilton, Ree has failed to repay the principal of the note.

Respondent, Ronald D. Ree ("Ree") failed to file an answer to the claim.

### **RELIEF REQUESTED**

Hamilton requested the principal balance of \$25,000 due and owed under the terms of the promissory note and any other relief the panel of arbitrators deemed just.

Ree did not file an answer with any affirmative relief request.

### **OTHER ISSUES CONSIDERED & DECIDED**

Hamilton asserted a motion to bar Ree from defending the claim pursuant to Section 25(b)(2)(iii) of the NASD Code and a motion to bar admission of any documentary evidence offered by Ree at the hearing on the basis that it was not exchanged with Hamilton in accordance with Section 32(c) of the NASD Code. After hearing the arguments of counsel on behalf of Hamilton in support of the motions and Ree's arguments against granting the motions, the panel determined to deny the motions. Ree was allowed to defend the claim and the panel admitted the documentary evidence offered by Ree.

Only two of the three members of the arbitration panel appeared on the day of the hearing. The parties agreed to go forward with the hearing with only two arbitrators pursuant to Section 24 to the NASD Code.

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. Ree is liable for and shall pay to Hamilton, the sum of Eighteen thousand seven hundred fifty dollars and No Cents (\$18,750.00); and,

2. The parties shall each bear their respective costs and expenses including any attorney's fees.

**FORUM FEES**

Pursuant to Section 44c of the NASD Code of Arbitration Procedure, the following Forum Fees are assessed. One hearing session at the rate of \$600.00 per session is assessed to Hamilton Investments, Inc.

The NASD shall retain the \$500.00 non-refundable claim filing fee, the \$200.00 Section 45 member surcharge, and the \$600.00 hearing session deposit deposited with the NASD by Hamilton. No additional Forum Fees are assessed or are payable to the NASD.

**Concurring Arbitrators' Signatures**

/s/ Harold E. Gierke  
Harold E. Gierke  
Industry Arbitrator  
Presiding Chairperson

July 8, 1995  
Date

/s/ Mica T. Duncan  
Mica T. Duncan  
Industry Arbitrator  
Panelist

July 7, 1995  
Date

Date Award Served on the Parties by the NASD: July 18, 1995