

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Hamilton Investments, Inc.

vs.

95-02091

Name of Respondent

Jeffrey S. Olsen

REPRESENTATION

Claimant, Hamilton Investments, Inc. ("Hamilton") was represented by Steven Gomberg, Esq. of Gomberg Kane & Fischer of Chicago, Illinois.

Respondent, Jeffrey S. Olson ("Olson"), was represented by Steven Rau, Esq. of Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or before May 1, 1995.

Claimant's Submission Agreement was signed on April 13, 1995.

The Statement of Answer and Counterclaim was filed by Respondent on or before July 7, 1995.

Respondent's Submission Agreement was signed on August 9, 1995.

The Response of Respondent's to the Counterclaim was filed on or about July 31, 1995.

HEARING INFORMATION

The Hearing Date was October 3, 1996 for two (2) Sessions.

The Hearing Location was Minneapolis, Minnesota.

CASE SUMMARY

Claimant Olson alleged that Respondent breached several promissory notes and failed to honor settlement agreements. Specifically Hamilton alleged that Olson voluntarily entered into a promissory note in the amount of \$3,000.00. By the terms of the note, Olson was to repay the note in four annual payments plus interest. The note also provided that on each payment due date, Hamilton would forgive 1/4 of the note, if Olson remained in its full employ. According to the terms of the note, if Olson ever left the employ of Hamilton prior to the repayment of the note, the entire amount plus interest would become due and payable immediately.

Claimant further alleges that Olson resigned from Hamilton prior to paying off, or being released from his obligation, and now owes Hamilton \$1,497.31 plus \$56.10 on the note.

Claimant also alleged that Olson also entered into a second promissory note in the sum of \$4,478.43, which is due and owing in the amount of \$574.43. Claimant finally alleged that Olson made trading errors in customers' accounts resulting in losses to Hamilton. As a result, Olson agreed to reimburse Hamilton for all canceled trades and trading errors no later than 14 days from the date of his termination of employment for any reason. A written "settlement agreement" was entered into between the parties. Respondent tendered a demand to Olson to honor the remaining obligations under the notes and to reimburse it for the settlement.

Olson failed to pay the obligations, and Hamilton seeks the amounts due and owing and the cost of bringing the arbitration.

Respondent Olson alleged that he received no consideration from Claimant for signing the promissory notes. Olson also alleged that it was respondents fraudulent failure to disclose certain information about certain offerings which lead customers to fail to pay for certain trades, causing trading errors. In his counterclaims, Olson alleged that Hamilton promised him a referral fee for recommending his brother-in-law to join Claimant Hamilton and had failed to pay him the fee and fraudulently mislead customers about certain offerings. Olson sought to recover punitive damages for Hamilton's fraudulent conduct in addition to the above described relief.

In response to Olson's counterclaim, Respondent denied Olson's allegations and stated that they were factually and legally insupportable.

RELIEF REQUESTED

Claimant requested amounts due under the promissory notes, interest due on the notes, reimbursement of settlement fees, and costs of collection and of the arbitration proceeding including attorneys fees.

Respondent requested the referral fee, certain commissions, and \$100,000.00 as punitive damages.

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. Olson is liable for and shall pay to Hamilton the sums due on the first promissory note in the amount of One-thousand four hundred and ninety seven dollars and thirty-one cents (\$1,497.31);
2. Olson is liable for and shall pay to Hamilton the sums due on the second promissory note in the amount of five hundred and seventy four dollars and forty-three cents (\$574.43);
3. Olson is liable for and shall pay to Hamilton one-half of the amount due, (\$5331.00) for trading errors in the Williamson account, two thousand six hundred and sixty five dollars and fifty cents (\$2665.50);
4. Olson is liable for and shall pay to Hamilton one-half of the amount due, (\$4,862.00), for trading errors in the Reiss-Glazman Trust account, two thousand four hundred and thirty one dollars and no cents (\$2431.00);
5. Olson is liable for and shall pay to Hamilton one-half of the amount due, (\$8,508.50), for trading errors in the Wingate account, Four thousand two hundred and fifty four dollars and twenty five cents (\$4,254.25);
6. Olson is liable for and shall pay to Hamilton one-half of the amount due, (\$2,431.00) for trading errors in the Baker account, one thousand two hundred fifteen dollars and fifty cents (\$1215.50);
7. All other claims not expressly covered by the Award are, and each of them, denied and dismissed with prejudice;
8. Other than forum fees, which are addressed below, the parties shall each bear their respective costs and expenses incurred in this matter.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

2 sessions-X \$600.00 = \$1,200.00 minus hearing session deposit of \$600.00 = net due the NASD \$600.00.

The forum fees are assessed equally Against both parties. Claimant has previously paid to the NASD its \$200.00 member surcharge, \$500.00 filing fee, and \$600.00 hearing session deposit. Therefore, Claimant owes nothing to the NASD. Respondent is liable for and shall pay \$600.00 to the NASD.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators' Signatures

Name:

Dated:

/s/ Jacque Foust
Jacque E. Foust
Industry arbitrator
Chairman

1/23/96

/s/ James Kaiser
James Kaiser
Industry arbitrator

2/08/96

Dissenting Arbitrator's Signature:

/s/ Lawrence Furman
Lawrence Furman
Industry arbitrator

2/02/96

For NASD Use Only

Date Award served on the parties: 2/16/96