

## AWARD

NASD Regulation, Inc. Office of Dispute Resolution

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In the Matter of the Arbitration Between

Name of Claimant

Gerald C. and Sandra D. Doran,  
William M. & Patricia R. Dolan

and

96-00024

Name of Respondent

Hamilton Investments, Inc.  
Principal Financial Securities, Inc.  
Todd Robert Andersen

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### REPRESENTATION OF PARTIES

Gerald C. and Sandra D. Doran ("**Claimants Doran**"), William M. & Patricia R. Dolan ("**Claimants Dolan**") (collectively as "**Claimants**") were represented by Steven R. Hedges, Esq. Abdo & Abdo, Minneapolis, Minnesota.

Hamilton Investments, Inc. ("**Respondent Hamilton**"), Principal Financial Securities, Inc. ("**Respondent Principal**") and Todd Robert Andersen ("**Respondent Andersen**") were represented by Larry Hoffman, Esq., Zelle & Larson, Minneapolis, Minnesota.

### CASE INFORMATION

The Statement of Claim was filed on or about January 2, 1996. Submission Agreement of Claimants Gerald C. and Sandra D. Doran was signed on November 20, 1995. Submission Agreement of Claimants William M. & Patricia R. Dolan was signed on November 27, 1995.

Statement of Answer was filed by Respondent Hamilton Investments, Inc., Principal Financial Securities, Inc. and Todd Robert Andersen on or about March 1, 1996. Submission Agreement of Respondents Hamilton Investments, Inc. and Principal Financial Securities, Inc. was signed on February 29, 1996 by Lawrence T. Hoffman. Submission Agreement of Respondent Todd Robert Andersen was signed on February 29, 1996.

### **HEARING INFORMATION**

The hearing was held on Monday, June 2, 1997 for two (2) sessions and Tuesday, June 3, 1997 for three (3) sessions in Minneapolis, Minnesota for a total of five (5) sessions.

### **CASE SUMMARY**

Claimants alleged that they purchased shares of Continental Savings of America preferred stock in reliance upon false, fraudulent, misleading and unsuitable representations of Respondent Andersen. Claimants further alleged that Respondents Hamilton and Principal were negligent in the supervision of Respondent Andersen in violation of securities laws and regulations.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that Gerald C. Doran held himself out as a sophisticated investor with over 20 years investment experience and a net worth of approximately \$1,000,000. Claimants Dolan were referred to Respondent Andersen by Claimant Gerald C. Doran based upon his positive experiences with Respondent Andersen.

### **RELIEF REQUESTED**

Claimants Gerald C. and Sandra D. Doran requested an award in the amount of \$115,695.26 and consequential damages in an amount to be determined for the reasonable appreciation of the stocks sold by them to cover margin calls caused by the losses in Continental Preferred.

Claimants William M. & Patricia R. Dolan requested an award in the amount of \$6,834.

All Claimants requested an award of interest, punitive damages in an amount in excess of \$50,000, costs, disbursements, reasonable attorneys' fees and such other and further relief as the arbitration panel may deem just and equitable.

Respondents requested that the claims asserted against them be denied in its entirety and that they be awarded their costs and attorneys' fees.

### **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 original(s) remain on file with the NASD Regulation, Inc. Office of Dispute Resolution.

### **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. The claims asserted in this matter shall be and hereby are dismissed and denied in their entirety.
2. Each party shall bear its own costs, expenses and fees, including attorneys' fees incurred in this matter not specifically enumerated herein.

### **FORUM FEES**

Forum fees are calculated at the rate of \$750 per hearing session and \$300 for each pre-hearing conference, if any. There were five (5) sessions x \$ 750 = \$3,750 in forum fees. Pursuant to Rule 10332(b) a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to Rule 10332(c) of the NASD Code of Arbitration Procedure, the NASD Regulation, Inc. Office of Dispute Resolution shall **retain** the non-refundable filing fee in the amount of \$200 and shall **retain** as forum fees the hearing session deposit in the amount of \$750 previously deposited with the NASD Regulation, Inc. Office of Dispute Resolution by the Claimants Gerald C. and Sandra D. Doran, William M. & Patricia R. Dolan. Claimants Gerald C. and Sandra D. Doran, William M. & Patricia R. Dolan shall be and hereby are jointly and severally liable for and shall pay to the NASD Regulation, Inc. Office of Dispute Resolution the sum of \$2775 as the balance due for forum fees. Claimants have the sum of \$75 on deposit with the NASD Regulation, Inc. Office of Dispute Resolution which has been credited to the sum due from them for forum fees.

Pursuant to Rule 10333 of the NASD Code of Arbitration Procedure, the NASD Regulation, Inc. Office of Dispute Resolution shall **retain** the non-refundable member surcharge in the amount of \$350. **Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.**

Dated:

/s/ Lavon C. Phillips, Esq.

Lavon C. Phillips, Esq.  
Public Arbitrator, Presiding Chair

June 16, 1997

/s/ John M. Holmes

John M. Holmes  
Public Arbitrator

June 10, 1997

/s/ John Robert Kelly

John Robert Kelly  
Industry Arbitrator

June 27, 1997