

## **AWARD**

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Summit Investment Corporation

and

96-04695

Name of Respondent

Terry Halonen

### **REPRESENTATION OF PARTIES**

Summit Investment Corporation ("**Claimant**") was represented by Joseph D. Fleming, Esq., Summit Investment Corporation, Minneapolis, Minnesota.

Terry Halonen ("**Respondent**") appeared *pro se*.

### **CASE INFORMATION**

The Statement of Claim was filed on or about October 22, 1996. Submission Agreement of Claimant Summit Investment Corporation was signed on October 18, 1996 by G. James Spinner.

Statement of Answer was filed by Respondent Terry Halonen on or about December 18, 1996. Submission Agreement of Respondent Terry Halonen was signed on December 13, 1996.

### **HEARING INFORMATION**

A pre-hearing conference was held on June 3, 1997 for one (1) session. The hearing was held on in Minneapolis, Minnesota for one (1) session.

### **CASE SUMMARY**

Claimant alleged that Respondent entered into an employment agreement wherein Claimant agreed to loan Respondent the sum of \$25,000 with the loan to be forgiven over a three year period. Claimant further alleged that Respondent terminated his employment prior to the completion of the three year term leaving a balance due under the terms of the agreement.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically stated that the money received should be treated as compensation since he was required to pay taxes on the money.

### **RELIEF REQUESTED**

Claimant requested an award as follows:

- ▶ The sum of \$11,407.87 based upon Respondent's default in the repayment required under the employment agreement.
- ▶ Interest on the above referenced sum at the contract rate of 8% per annum from November 30, 1995 to the date of payment.
- ▶ Costs of collection and of this proceeding including attorneys' fees, the filing fee, and the hearing session deposit.
- ▶ Any other relief as the arbitrator deems just.

Respondent requested that the claims asserted against him be denied.

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

The parties have agreed that a handwritten, signed Award may be entered. The parties have agreed to receive a conformed copy 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 and the post-hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Terry Halonen shall be and hereby is liable for and shall pay to the Claimant Summit Investment Corporation the sum of \$12,612.58 (**twelve thousand six hundred twelve dollars and fifty eight cents**) as compensatory damages. This sum includes an award of interest.
2. Respondent Terry Halonen shall be and hereby is liable for and shall pay to the Claimant Summit Investment Corporation the sum of \$5,503.48 (**five thousand five hundred three dollars and forty eight cents**) as attorneys' fees and costs incurred in this matter. This award of fees and costs is made pursuant to the terms of the agreement between the parties.

3. Each party shall bear its own costs, expenses and fees incurred in this matter not specifically enumerated herein.

### **FORUM FEES**

Forum fees are calculated at the rate of \$300 per hearing session. There were a total of two (2) sessions x \$300 = \$600 in forum fees. Pursuant to §10205(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 §10205(c) of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. Office of Dispute Resolution shall **retain** the non-refundable filing fee in the amount of \$500 and shall **retain** as forum fees the hearing session deposit in the amount of \$300 previously deposited with NASD Regulation, Inc. Office of Dispute Resolution by the Claimant Summit Investment Corporation. Respondent Terry Halonen shall be and hereby is liable for and shall pay to the NASD Regulation, Inc. Office of Dispute Resolution the sum of \$300 as the balance due for forum fees.

Pursuant to §10333 of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. Office of Dispute Resolution shall **retain** the non-refundable member surcharge in the amount of \$200. **Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.**

/s/ Lee T. Beske

Lee T. Beske

Industry Arbitrator, Presiding Chair

Dated:

June 30, 1997