

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between	)	
Vander Pearson	)	
& Debra J. Pearson, JT TEN	)	
& Raymond Ward	)	
	)	
Claimants	)	
	)	
vs.	)	
	)	
Walter V. Johnson	)	NASD No. 87-01845
& Dean Witter Reynolds, Inc.	)	
	)	
Respondents	)	

SUMMARY OF ISSUES

This case was originally filed with the National Association of Securities Dealers, Inc. ("NASD"), on September 30, 1987; Claimants amended their claim on March 31, 1989, and named Dean Witter Reynolds, Inc., as a respondent. Claimants alleged that their account executive made misrepresentations in connection with the sale of Dean Witter Tax Exempt Securities Fund and Dean Witter High Yield Securities Fund. Specifically, Claimants alleged that Respondents failed to disclose that a sales charge or commission on the mutual fund purchases would be incurred and represented that the annual return on the investment would be between 15 and 22 percent and that the principal would be safe.

Respondents denied making any misrepresentations or omissions of material facts in connection with Claimants' investment in the mutual funds. Respondents maintained that Claimants were provided with a prospectus for each of the mutual funds and that the computation of the sales charge, market fluctuations, and reasonable rates of return were discussed with Claimants prior to their investments.

DAMAGES AND RELIEF REQUESTED

Claimants requested damages in the amount of \$7,069.04 and reimbursement of travel costs incurred.

Respondents requested dismissal of the claim and costs.

DAMAGES AND RELIEF AWARDED

On June 13, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on January 6, 1988, and by Respondents Walter V. Johnson on March 15, 1988, and Dean Witter Reynolds, Inc., on May 15, 1989. The hearing was conducted in Anchorage, Alaska, and lasted one session. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

(a) That Claimants, VANDER PEARSON and DEBRA J. PEARSON, husband and wife, as well as RAYMOND WARD, shall take nothing by their complaint against WALTER V. JOHNSON and his employer, DEAN WITTER REYNOLDS, INC.;

(b) That the parties to this proceeding shall each bear their respective costs, including attorney's fees;

(c) That in accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall refund the \$200 filing fee previously deposited by Claimants;

(d) That the instant award may be confirmed by either party in a court of competent jurisdiction pursuant to AS 09.43.110.

SIGNED at Anchorage, Alaska, on the dates referenced below.

DATED: 4/29/90

Peter C. Ginder  
PETER C. GINDER

DATED: 7/24/90

Herbert Berkowitz  
HERBERT BERKOWITZ

DATED: 7/24/90

Ralph Papetti  
RALPH PAPETTI

DATE SERVED: 07/31/90