

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the
Arbitration Between

DEAN WITTER REYNOLDS INC.,

Claimant,

vs.

FRED and JUDITH KAPING,

Respondents.

AWARD

Case No. 88-02332

AND RELATED COUNTER-CLAIM.

SUMMARY OF ISSUES

This case was filed on July 21, 1988. Claimant alleges that in August, 1986 Respondents executed and delivered to Claimant a check for \$22,500, which "bounced", which has resulted in a debit balance in their account in the sum of \$29,017.56, including margin interest through September 12, 1989.

Respondents, in their counterclaim, allege that they account was mishandled and "churned" by Claimant. Respondents also assert claims for negligent infliction of emotional distress and fraud.

DAMAGES AND RELIEF REQUESTED

Claimant seeks payment of the principal sum of \$29,071.56, plus interest on said amount at the rate of 7% from on and after September 12, 1989, and costs.

Respondents cross-claim for \$176,000 in market losses, plus punitive damages in the sum of \$2,000,000.00 plus attorneys' fees and costs.

DAMAGES AND RELIEF AWARDED

The undersigned arbitrators, having considered the controversy between the parties as set forth in submission to arbitration signed by Claimant Dean Witter Reynolds, Inc. on July 18, 1988, and having read and considered the Stipulation of the parties, and good cause appearing therefor, the arbitrators have determined in full and final resolution of all claims and issues submitted for determination as follows:

1. Respondents Fred Kaping and Judith Kaping are jointly and severally liable and shall pay to Dean Witter Reynolds Inc. the principal sum of \$29,017.56, plus interest thereon at the rate of seven percent (7%) per annum from on and after September 12, 1989;
2. Claimant shall also recover from Respondents its costs incurred in this proceeding in the sum of \$900; and
3. Each and every claim asserted by Respondents in their counterclaim on file herein is dismissed in its entirety.

OTHER ISSUES

The Respondents' previous motion to dismiss these proceedings has been withdrawn, pursuant to their Stipulation, and they are found to have submitted the foregoing matters for resolution by the arbitrators.

Claimant and Respondents are each found to have stipulated to a panel consisting of the two (2) undersigned arbitrators for the resolution of this dispute.

Date Served: 11/16, 1989 PRESIDING ARBITRATORS:


James Duncan

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1. Respondents Fred Kaping and Judith Kaping are jointly and severally liable and shall pay to Dean Witter Reynolds Inc. the principal sum of \$23,017.36, plus interest thereon at the rate of seven percent (7%) per annum from on and after September 12, 1989;
2. Claimant shall also recover from Respondents its costs incurred in this proceeding in the sum of \$300; and
3. Each and every claim asserted by Respondents in their counterclaim on file herein is dismissed in its entirety.

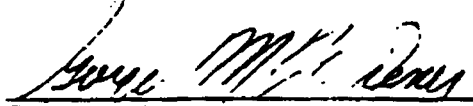
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Date Served: 11/16, 1989

PRESIDING ARBITRATORS:


George Weiner