

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

VIRGINIA HARRIS

Claimant

and

DEAN WITTER REYNOLDS, INC.
AND JAMES TALLEN

Respondent

CASE NO. 88-02714

CASE SUMMARY

In a claim filed with the NASD on August 25, 1988, Claimant, Virginia Harris alleged that she was a naive and unsophisticated investor who was led to believe that Respondents Dean Witter Reynolds, Inc. ("Dean Witter") and James Tallen ("Tallen") ("collectively as "Respondents") would provide sophisticated and personally tailored financial planning services. Claimant alleged that Respondent Tallen made unsuitable recommendations to invest in a stock mutual fund, a real estate limited partnership and an oil limited partnership. Claimant further alleged that Respondent Tallen made material misrepresentations and omitted to state material facts in order to induce her to open her account with Respondent Dean Witter and make the recommended investments. Claimant also alleges violations of Rule 10b-5 of the Exchange Act and Sections 12(2) and 15 of the Securities Act; violations of the Minnesota Securities Law; breach of fiduciary duty; common law fraud and negligence.

In their joint answer filed with the NASD on November 7, 1988, Respondents stated that the recommendations made were suitable for Claimant's stated investment goals; that Claimant was fully advised of all material facts in connection with the investments. Respondents further state that the claims are barred by the Statute of Limitations.

RELIEF REQUESTED

Claimant requested an award of damages in excess of \$50,000.00; unspecified punitive damages; rescission of the transactions in question; interest; costs; and attorneys' fees.

Respondents requested dismissal and denial of the Statement of Claim.

AWARD

On Wednesday, March 7, 1990 in Minneapolis, Minnesota during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on August 15, 1988. by Claimant Virginia harris, on November 2, 1988 by Larry R. Meyer on behalf of Respondent Dean Witter Reynolds, Inc. and on October 11, 1988 by Respondent James Tallen.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of claim shall be and hereby is dismissed and denied in its entirety;

2. The parties shall each bear their own respective costs and fees not specified herein including attorneys' fees; and

3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$500.00 filing fee previously deposited with the NASD by the Claimant Virginia Harris. Respondents are further assessed and shall pay to the NASD as additional forum fees, the sum of \$500.00.

By the Panel

Dated: <u>03/07/90</u>	/S/ <u>Jack D. Elmquist</u> Presiding Chair
Dated: <u>03/07/90</u>	/S/ <u>Warren P. Kelly</u>
Dated: <u>03/07/90</u>	/S/ <u>Jacque E. Forest</u>

Date Served: 3/15/90