

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Sam Benson - Trustee

Claimant

vs.

Dean Witter Reynolds, Inc.

Respondent

AWARD

CASE #88-03304

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers (NASD) on October 25, 1988. Claimant alleged that his brokers, employed by Respondent, failed to disclose that his investments in two limited partnerships were illiquid and had potential terms of 30 years, and were unsuitable for his investment objectives.

Respondent denied the allegations and maintained that prior to making the partnership investments, the objectives, nature, and risks were verbally explained to Claimant, that he was provided with a prospectus on each partnership, and that he signed a subscription agreement in connection with each investment acknowledging that he was aware of and understood the risks. Respondent further maintained that the investments were suitable to Claimant's stated investment objectives and his desire to diversify his portfolio to include investment vehicles which provided tax-sheltered income.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages, as amended at the hearing, in the amount of \$12,000.00 in connection with the HCH investment and rescission of the FCIP investment whereby Respondent will reimburse Claimant the original investment of \$25,000.00 for which Claimant will tender his units to Respondent but retain all dividends to date. Claimant withdrew his claim in connection with the GM options contract and his claims for punitive damages and attorneys' fees at the hearing.

Respondent requested dismissal of the claim and costs.

### DAMAGES AND RELIEF AWARDED

On March 7, 1990 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on October 20, 1988 and by Respondent on March 2, 1989. The hearing was held in Santa Monica, California and lasted three sessions. 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:

1. All claims are hereby dismissed.
2. The parties shall each bear their respective costs including attorneys' fees.
3. Pursuant to Section 43 of the National Association of Securities Dealers, Inc ("NASD") Code of Arbitration Procedure.
  - a) The NASD shall retain the \$400.00 filing fee previously deposited by the Claimant; and
  - b) Respondent is hereby assessed the sum of \$400.00 representing forum fees equal to the filing fee and shall pay this amount to the NASD, Inc. directly.

### OTHER ISSUES

The parties stipulated to the execution and service of the award in counterpart copies.

ARBITRATORS CONCURRING

DATE SERVED: 03/26/90

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Dale Hurd

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Robert G. Sether

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Ronald L. Fox

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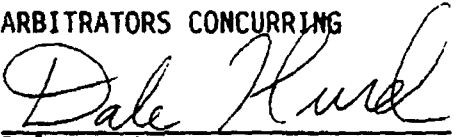
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