

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between )  
Edward D. Eckert, )  
Claimant, ) Case #89-00100  
vs. ) Award  
Dean Witter Reynolds, Inc. and )  
Jeffrey Jerome, )  
Respondent. )  
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Heard before the members of the Arbitration Panel:

Mr. Guthrie F. Crowe  
Mr. Thomas E. Swenson  
Mr. Carl J. Hegner

CASE SUMMARY

This claim was filed with the NASD, Inc. on January 17, 1989. The hearing was conducted in Fort Lauderdale, Florida on September 5, 13, 14, 1989 and on October 3, 1989 with a total of 8 sessions.

Claimant, Edward Eckert ("Eckert") alleged that Respondents, Dean Witter Reynolds, Inc. ("Dean Witter") and Jeffrey Jerome ("Jerome") were liable for: violations of Section 10b and Rules 10b-5 and Section 12(2) of the Securities and Exchange Act; 18 U.S.C. Section 1962; breach of fiduciary duty; fraud and deceit; negligence; and violating Florida Statute Section 517.301. Additionally, Claimant alleged that Dean Witter was liable for negligent supervision. Specifically, Claimant alleged that, due to representations of Jerome, Claimant granted Jerome discretion over Claimant's account and that Jerome placed Claimant in unsuitable investments and failed to inform him of all the risks involved. Respondents alleged that Eckert: was informed of all the risks; asked to be placed in speculative investments; the account was non-discretionary; Jerome never recommended that Eckert trade on margin; Eckert never asserted his lack of investment experience; Jerome acted in a manner consistent with industry standards and that any losses were caused by Claimant.

RELIEF REQUESTED

Claimant requested rescission and damages in the amount of Four Hundred Thousand and 00/100 (\$400,000.00) Dollars plus interest, punitive damages, attorney's fees and other costs. Respondents requested dismissal of the claim, attorney's fees and other costs.

#### AWARD

On September 5, 13, 14 and October 3, 1989, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on December 21, 1988, and by Respondent, Dean Witter on June 19, 1989 and by Respondent, Jerome on June 22, 1989. 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. The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD, Inc.
2. Respondents, Dean Witter and Jerome are not liable and therefore all claims against them are hereby dismissed.
3. Claimant's request for attorney's fees is hereby dismissed in all respects.
4. Claimant, Eckert is hereby liable and shall pay to Respondent, Dean Witter the amount of Twenty Thousand and 00/100 (\$20,000.00) Dollars for attorney's fees.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, the arbitrators have assessed forum fees in the amount of Six Thousand and 00/100 (\$6,000.00) Dollars (\$750 x 8 sessions). Claimant is hereby assessed forum fees in the amount of Three Thousand and 00/100 (\$3,000.00) Dollars. The NASD, Inc. shall retain the Seven Hundred Fifty and 00/100 (\$750.00) Dollar filing fee previously deposited by the Claimant in partial satisfaction of such forum fees. Respondent, Dean Witter is hereby assessed forum fees in the amount of Three Thousand and 00/100 (\$3,000.00) Dollars to be paid to the NASD, Inc.
6. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

#### OTHER ISSUES

None.

#### ARBITRATORS CONCURRING

Guthrie F. Crowe  
Thomas E. Swenson  
Carl J. Hegner

Dated: October 16, 1989