

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Dean Witter Reynolds, Inc. Claimant

vs.

Ronald Baldwin Respondent

AWARD

CASE NO. 89-00870

Heard Before the Members of the Arbitration Panel:

Kent Mastores
Marion Sperry Robertson
Rudy Thorwirth

SUMMARY OF ISSUES

This case was filed on March 23, 1989. Claimant alleged that Respondent's account incurred margin calls, that Respondent failed to cover the calls and that as a result, Dean Witter Reynolds, Inc. was forced to liquidate his account. Claimant alleged that after holdings in Respondent's account were liquidated, an unsecured debit of \$25,129.63 remained and that Respondent has refused to pay this sum. The margin calls related to the sale in Respondent's account of shares of Geothermal Resources International, Inc. ("GEO") common stock.

Respondent alleged that Claimant should have sold the GEO Stock in a more orderly manner, that Claimant negligently sold GEO stock, and that Respondent was not advised of the proposed sales of the GEO stock or that sales were made. Respondent counterclaimed against Dean Witter Reynolds, Inc., contending that Dean Witter's disorderly selling of GEO stock resulted in the unwarranted selling of 75,000 shares of GEO stock causing unnecessary and unjustified monetary damage to Respondent. Respondent also contended that Dean Witter should restore to Baldwin the 75,000 shares it sold or pay appropriate damages.

Claimant replied to the counterclaim alleging that Dean Witter was contractually entitled to sell Baldwin's stock, that Dean Witter was obligated to maintain adequate margin in Baldwin's account, that Baldwin was not damaged by Dean Witter's action, and that Baldwin's losses are attributable to his own conduct.

DAMAGES AND RELIEF REQUESTED

Claimant requested that it be awarded: 1) the amount of \$25,129.68; 2) interest of 11% from July 22, 1988 to the present; 3) costs of the arbitration; and 4) any and all further relief the panel deems just and proper under the circumstances. Respondent asked that he receive the 75,000 shares of GEO that Claimant sold on July 21 and 22, 1988 or pay appropriate damages to Baldwin.

DAMAGES AND RELIEF AWARDED

On March 15 and April 2, 1990, in San Francisco, California, the arbitrators heard the controversy in three sessions between the parties as set forth in submissions to arbitration signed by Claimant on March 21, 1989 and by Respondent on October 11, 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. Respondent is liable for and shall pay to Claimant the sum of Twenty-Five Thousand, One Hundred Twenty-Nine Dollars and Sixty-Eight Cents (\$25,129.68), plus interest in the amount of Four Thousand, Six Hundred Eighty-Seven Dollars and Eighty-Nine Cents (\$4,687.89).

2. Each and every counterclaim of Respondent is dismissed.

3. The parties shall each bear their respective costs including attorneys' fees.

4. In accordance with Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure:

- a. the NASD shall retain the \$900.00 filing fee previously deposited by the Claimant as an assessment of forum fees by the arbitrators;
- b. Claimant is assessed forum fees in the amount of \$900.00, to be paid directly to the National Association of Securities Dealers, Inc.; and
- c. Respondent is assessed forum fees of \$900.00, to be paid directly to the National Association of Securities Dealers, Inc.

DATE SERVED: 04/09/90