

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

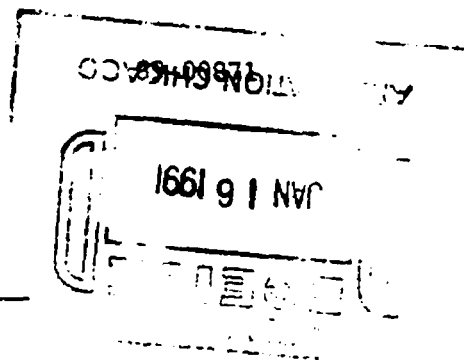
Name of Claimant(s)

Terry Hill

Name of Respondent(s)

Dean Witter Reynolds, Inc.
Bill Elder

89-00871



CASE SUMMARY

In a Statement of Claim filed with the NASD on March 21, 1989, Claimant Terry Hill alleged that Respondents engaged in acts as follows:

1. Made material misrepresentations regarding the quality of service Respondents provided and the status of Claimant's investments;
2. Purchased stocks, bonds and stock options on margin contrary to Claimant's instructions;
3. Purchased unsuitable investments, contrary to Claimant's investment objectives;
4. Failed to execute a sale order;
5. Churned Claimant's account; and
6. Negligently entered into high risk options and other risky investments.

Based on these acts, Claimant alleged violations of the Federal Securities Anti-Fraud provisions relating to misrepresentation and unsuitability, violations of the NASD Rules of Fair Practice as it sets an industry standard regarding the execution of customers orders, common law fraud, negligence, breach of contract and churning.

In a Statement of Answer filed with the NASD on July 28, 1989, Respondents Dean Witter Reynolds, Inc. and Bill Elder denied any liability to Claimant, stating that:

1. No discretionary trading took place;
2. No representation was made that Dean Witter was a "discount broker";
3. All purchases and sales orders were properly executed as discussed with and directed by Claimant; and
4. Claimant represented that he had prior investment experience and a liquid net worth commensurate with the investments made.

RELIEF REQUESTED

Claimant Terry Hill requested the entry of an award against Respondents Dean Witter Reynolds, Inc. and Bill Elder for compensatory damages of \$64,725.00, punitive damages of \$550,162.00 and pre-judgment interest of \$27,335.00 thru February 29, 1989 plus an additional \$15.00 per day from said date until the award is rendered.

Respondents Dean Witter Reynolds, Inc. and Bill Elder requested that the Statement of Claim be dismissed and denied in its entirety.

AWARD

(On October 29, 1990, in Little Rock, Arkansas, during a hearing lasting three sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on March 20, 1989 by Claimant Terry Hill, on July 27, 1989, by Robert W. Bass on behalf of Respondents Dean Witter Reynolds, Inc. and on October 29, 1990 by Respondant William E. Elder (Bill Elder). At the close of hearing, the arbitration panel requested that the parties submit post-hearing briefs for their consideration.

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

1. Respondent Dean Witter Reynolds, Inc. and Bill Elder are jointly and severally liable for and shall pay to Claimant Terry Hill the sum of Thirty Five Thousand, Seven Hundred Sixteen Dollars and Sixty Seven Cents (\$35,716.67);
2. Claimant Terry Hill's claim for punitive damages and pre-judgment interest are dismissed and denied in their entirety;
3. The parties shall each bear their own costs, including attorneys fees, except for those specifically enumerated herein; and

4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees the \$250.00 filing fee and \$750.00 hearing session deposit previously deposited with the NASD by the Claimant Terry Hill. Claimant Terry Hill is liable for and shall pay to the NASD additional forum fees of \$750.00. Respondents Dean Witter Reynolds, Inc. and Bill Elder are jointly and severally liable for and shall pay to the NASD additional forum fees of \$1,500.00.

By the Panel

Dated: _____

John Alan Lewis, Esq.
Chairman of the Panel

Dated: 1-4-90


Steven R. Christensen

Dated: _____

John L. Porter



4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees the \$250.00 filing fee and \$750.00 hearing session deposit previously deposited with the NASD by the Claimant Terry Hill. Claimant Terry Hill is liable for and shall pay to the NASD additional forum fees of \$750.00. Respondents Dean Witter Reynolds, Inc. and Bill Elder are jointly and severally liable for and shall pay to the NASD additional forum fees of \$1,500.00.

By the Panel

Dated: _____

John Alan Lewis, Esq.
Chairman of the Panel

Dated: _____

Steven R. Christensen

Dated: 11/4/91

John L. Porter
John L. Porter

4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees the \$250.00 filing fee and \$750.00 hearing session deposit previously deposited with the NASD by the Claimant Terry Hill. Claimant Terry Hill is liable for and shall pay to the NASD additional forum fees of \$750.00. Respondents Dean Witter Reynolds, Inc. and Bill Elder are jointly and severally liable for and shall pay to the NASD additional forum fees of \$1,500.00.

Dated: January 2, 1991

By the Panel

John Alan Lewis, Esq.
Chairman of the Panel

Dated: _____

Steven R. Christensen

Dated: _____

John L. Porter