

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

James N Anderson et. al

89-01188

Name of Respondent(s)

Dean Witter Reynolds, Inc.
Ralph Pahnke

Heard before:

Name	Public/Industry
Langdon Owen_____	Public / Chair_
Robert Thorup_____	Public_____
Thomas Borden_____	Industry_____

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on April 21, 1989.

Claimants alleged securities fraud (violation of Rule 10(b)-5 of the 1934 Act), misrepresentation and securities fraud (violation of the 1933 Act), violation of Utah Uniform Securities Act, common law fraud, breach of warranty, breach of fiduciary duty, breach of contract, unauthorized trading and unsuitability. Said allegations were made in connection with transactions in securities, primarily options. Respondents denied the allegations. Respondents alleged that they acted with the utmost integrity and caution when serving Claimants, that all trades were authorized by Claimants, and that trades were suitable.

Respondents asserted eight affirmative defenses.

RELIEF REQUESTED

Claimants sought relief in an amount of not less than \$1,000,000.00. Respondents requested the panel to dismiss the claims and to award Dean Witter and Mr. Pahnke the costs they have incurred in defending.

AWARD

On December 4, 5, 6 and March 5, 6, 7 and 19, 1991 in during a hearing lasting thirteen sessions, the undersigned arbitrator(s) heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant(s) on November 6, 1989 and by Respondent Ralph Pahnke in August, 1990, and by Dean Witter Reynolds also in August, 1990.

After considering the pleadings, the testimony, and the evidence presented at the hearing, the arbitrator(s) has/have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Dean Witter Reynolds, Inc. and Ralph Pahnke are liable for and shall pay to Claimant The Anna Lee Anderson Trust the sum of Six Hundred Ninety-Two Thousand One Hundred Ninety-Nine Dollars Exactly (\$692,199.00) inclusive of interest. Said liability is joint and several.
2. Each and every claim of James N. Anderson is dismissed.
3. The parties shall each bear their respective costs including attorneys' fees.
4. Pursuant to Section <43c> of the Code of Arbitration Procedure, the NASD shall retain the \$1,000.00 filing fee previously deposited by the Claimants as an assessment of forum fees by the arbitrators. Respondents Dean Witter Reynolds, Inc. and Ralph Pahnke are jointly and severally responsible for reimbursing Claimants said filing fee. In addition, Respondents Dean Witter Reynolds, Inc. and Ralph Pahnke are also assessed fees of \$12,000.00 for forum fees. Said liability is joint and several.

Fees are payable to the National Association of Securities Dealers, Inc.

Signatures

Thomas Borden

Date of Decision: 3/22/91