

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Kathleen M. Borgstrom,
individually and on
behalf of, Marie C. Love,
Julie M. Borgstrom,
James P. Borgstrom, Mary S.
Borgstrom, Anne L. Borgstrom,
and John D. Borgstrom Claimants

vs.

Dean Witter Reynolds, Inc.
James Tallen Respondents

AWARD

CASE NO. 89-03412

SUMMARY OF ISSUES

Claimants alleged Respondents misrepresented the suitability for their financial position, investment sophistication and station in life, of investments in certain mutual funds and energy and real estate limited partnerships. Claimants alleged no prospectuses were delivered to them as required.

Respondents denied all allegations and asserted that Claimants had been advised of all particulars regarding the investments and authorized all investments, and that prospectuses had been provided as required. Respondents also alleged that all claims are barred by applicable statutes of limitation.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages of \$215,496.00, broken down as follows: Marie Love, \$103,280.00; Kathleen Borgstrom, \$60,137.00; Julie Borgstrom, \$12,438.00; Jim Borgstrom, \$12,307.00; Mary Borgstrom, \$16,254.00; Anne Borgstrom, \$5,328; and John Borgstrom, \$5,752.00; plus attorney's fees and costs of arbitration.

Respondents requested dismissal of all claims.

DAMAGES AND RELIEF AWARDED

This claim was filed with the NASD on December 5, 1989. On September 20 and 21, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to

arbitration signed by Claimants as follows: Kathleen M. Borgstrom, November 17, 1989, for herself, as custodian of her minor children Anne Borgstrom and John Borgstrom, and as co-trustee for the account of Marie C. Love; James Borgstrom, April 5, 1990; Mary Borgstrom, March 23, 1990; Julie Borgstrom, March 26, 1990; by an authorized representative of Dean Witter Reynolds, February 13, 1990; and by James Tallen, January 8, 1990. A pre-hearing telephone conference was held September 14, 1990, and lasted one (1) session. The hearing was conducted in San Diego, California, and lasted five (5) 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 as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimants the sum of \$63,300.00 exactly, calculated as follows:
 - a) On the claims brought on behalf of Marie Love, the sum of \$18,300.00 inclusive of interest;
 - b) On the claims brought by Kathleen Borgstrom on her own behalf, the sum of \$25,000.00 inclusive of interest;
 - c) On the claims brought on behalf of the older children, Julie, Jim, and Mary, the sum of exactly \$6,000.00 each;
 - d) On the claims brought on behalf of the minor children, Anne and John, the sum of exactly \$1,000.00 each.
2. The parties shall each bear their respective costs including attorney's fees.
3. In accordance with Section 43 of the NASD Code of Arbitration Procedure the NASD shall retain the \$750.00 filing fee previously deposited by Claimant. Respondents are jointly and severally assessed forum fees of \$3,000.00 payable as follows:
 - a) \$750.00 to Claimants as reimbursement for filing fees;
 - b) \$2,250.00 to the NASD.

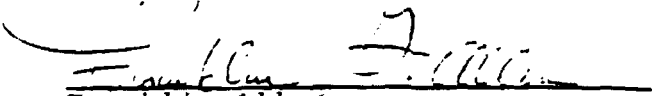
OTHER ISSUES

Respondents' Motion to Dismiss Based on Statutes of Limitation was denied by the panel.

The panel granted Respondents' Motion to Dismiss the claim of Marie Love with respect to the January 1983 recommendation to purchase First Capital, based on Section 15 of the Code of Arbitration Procedure.

ARBITRATORS CONCURRING

DATE SERVED: 10/31/90



Franklin Allen

James Gormsen

Gerald Lonergan