

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

DOM AND IRINA MARTINO, SHARON MARTINO :
AND ANDREW MARTINO :

CLAIMANTS :

V. :

DEAN WITTER REYNOLDS, INC. :
TERENCE F. MARKEY AND :
IRA KORNBLATT :

RESPONDENTS :

AWARD :
#90-00463 :

CASE SUMMARY

The Statement of Claim was filed with the NASD, Inc. on February 13, 1990.

Claimants Dom, Irina, Sharon and Andrew Martino alleged that they were unsophisticated investors when Respondents, using undue influence upon them, violated their stated investment objectives of safe and conservative investments by purchasing unsuitable securities in Claimants' options accounts. Claimants further alleged that Respondents churned their accounts and breached their fiduciary duty toward claimants by neglecting to inform Claimants of the inherent risk involved in options trading. Claimants contended that Respondents reckless mishandling of their account caused substantial losses in their accounts.

Respondents, Dean Witter Reynolds, Inc., Terence F. Markey and Ira Kornblatt, denied all allegations of wrong-doing and maintained that Claimants, Dom and Irina Martino were knowledgeable investors when they opened their options accounts and that all trades in their accounts were entirely suitable and were authorized by Claimants. Respondents denied the use of any undue influence upon any of the Claimants.

RELIEF REQUESTED

Claimants requested an award in the amount of \$368,792.00 in actual damages and punitive damages in the amount of \$200,000.00.

Respondents requested dismissal of the claim plus costs and reasonable attorneys' fees.

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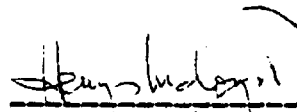
AWARD

On January 10, 1991 and January 11, 1991 the undersigned arbitrators heard the controversy between the Parties as set forth in submissions to arbitration signed by the Claimant, Dom Martino for himself and on behalf of Sharon and Andrew Martino on February 5, 1990 and by Respondent Dean Witter Reynolds, Inc. on June 12, 1990, by Respondent, Terence F. Markey on January 10, 1991 and by Respondent, Ira Kornblatt on January 10, 1991. The hearing was held in New York City and consisted of four (4) 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 for determination as follows:

1. All Claims of the Claimant, Dom Martino, against the Respondents, Dean Witter Reynolds, Inc. Terence F. Markey and Ira Kornblatt, shall be and hereby are denied;
2. All Claims of the Claimant, Sharon Martino, against the Respondents, Dean Witter Reynolds, Inc., Terence F. Markey and Ira Kornblatt, shall be and are hereby dismissed without prejudice;
3. All Claims of the Claimant, Andrew Martino, against the Respondents, Dean Witter Reynolds, Inc., Terence F. Kornblatt and Ira Kornblatt, shall be and are hereby dismissed without prejudice;
4. The panel exercised no jurisdiction over Irina Martino;
5. The Parties shall each bear their respective costs, including attorneys' fees;
6. Pursuant to Section 43 of the Code of Arbitration Procedure, the NASD, Inc. shall retain the \$1000.00 filing fee previously deposited by the Claimants;
6. Respondents, Dean Witter Reynolds, Inc., Terence F. Markey and Ira Kornblatt are jointly and severally assessed forum fees in the amount of \$2,125.00 payable to the NASD, Inc. through its staff administrator in accordance with Section 43 of the Code of Arbitration Procedure;
7. Claimants are assessed forum fees in the amount of \$1,125.00 payable to the NASD, Inc. through its staff administrator in accordance with Section 43 of the Code of Arbitration Procedure.

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ARBITRATOR CONCURRING




Henry McCoy, II, Esq.
(Public-Panelist)

DATED BY NASD
FEBRUARY 13, 1991

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ARBITRATOR CONCURRING

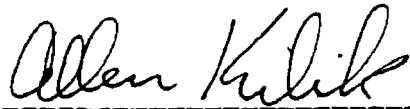


John B. Morgan
(Industry-Panelist)

DATED BY NASD
FEBRUARY 13, 1991

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ARBITRATOR CONCURRING

A handwritten signature in cursive script, reading "Allen Kilik", positioned above a horizontal dashed line.

Allen Kilik, Esq.
(Public-Chairman)

DATED BY NASD
FEBRUARY 13, 1991