

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
Paul E. & Roxana Nowak, JTWROS :
Claimants :
vs. :
Peter Scott :
Dean Witter Reynolds, Inc. :
Respondents :

CASE #90-03272
AWARD

CASE SUMMARY

Paul E. and Roxana Nowak, Pro Se, in a claim filed with the National Association of Securities Dealers, Inc. on November 20, 1990, alleged that Respondent Peter Scott, an account executive at Dean Witter Reynolds, Inc., Hartford, CT, failed to disclose the risks and lack of liquidity of Dean Witter Realty III L.P. and did not supply a Prospectus before the purchase.

Respondents, in a joint Statement of Answer filed by Melinda Socol Herbst, Esq., maintained that the investments at issue were suitable for claimant's objectives and were consistent with their goals. They state that all transactions were discussed with and authorized by Claimant, that no misrepresentations or omissions were made and that Claimants did receive prospectuses disclosing the risks involved. Respondent continues that Claimants failed to exercise due diligence and were negligent in the supervision of their financial affairs.

RELIEF REQUESTED

Claimants request Nine Thousand Dollars (\$9,000) in damages.

Respondents request dismissal of the claim and costs assessed against the Claimants.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Janice M. Mendes, was selected to review and

determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on November 8, 1990 and by the Respondents on April 22, 1991 and April 16, 1991, respectively;

And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents Dean Witter Reynolds, Inc. and Peter Scott are liable and shall pay to the Claimants the price of 18 units of Dean Witter Realty III Limited Partnership at a price no lower than Three Hundred Dollars (\$300) per unit.
2. The Claimants shall turn over to Respondent Dean Witter Reynolds, Inc. their 18 units of Dean Witter Realty III Limited Partnership.
3. The parties shall bear their respective costs.
4. The Two Hundred Dollar (\$200) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. and Respondents Dean Witter Reynolds, Inc. and Peter Scott shall jointly reimburse the Claimants One Hundred Dollars (\$100) of the Two Hundred Dollar (\$200) filing fee.

AFFIRMATION

I, JANICE M. MENDES, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.


Signature of Arbitrator

DATED:

October 31, 1991

DATED BY THE NASD, INC.: November 19, 1991