

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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: In the Matter of the Arbitration Between :  
: :  
: OmaJeanne J. Albrecht :  
: Rebecca J. Lipp, JTTE :  
: Claimants : CASE# 91-00410  
: vs. : AWARD  
: :  
: Dean Witter Reynolds, Inc. :  
: Scott James :  
: Respondents :  
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REPRESENTATION

For Claimants: George Leroy Moran, Esq. of the law firm of  
Kellogg, Krebs & Moran, P.C.

For Respondents: Melinda Socol Herbst, Esq.

CASE INFORMATION

Statement of Claim filed: February 7, 1991.

Claimant OmaJeanne J. Albrecht's Submission Agreement signed on:  
February 4, 1991.

Claimant Rebecca J. Lipp did not sign a Submission Agreement as  
required pursuant to Section 8 of the National Association of  
Securities Dealers, Inc. Code of Arbitration Procedure.

Joint Statement of Answer filed on: April 24, 1991.

Respondent Dean Witter Reynolds, Inc.'s Submission Agreement  
signed on: April 26, 1991.

Respondent Scott James Submission Agreement signed on: April  
17, 1991.

HEARING INFORMATION

Hearing Date and Sessions: July 18, 1991, 3 sessions.

Hearing Location: The hearing was conducted at the offices of  
the National Association of Securities  
Dealers, Inc. located in Washington, DC.

### CASE SUMMARY

Claimants alleged that Respondents Dean Witter Reynolds, Inc. and Scott James purchased shares of GNMA'S without informing the Claimants that the value of said investment could vastly fluctuate or that the GNMA'S did not necessarily or immediately begin to pay back principal and/or give the Claimants the sufficient monthly income to meet their living expenses. Claimants further alleged Respondent Scott James purchased, without first notifying the Claimants, shares of United States Treasury strip bonds even though the bonds pay no annual interest and only provide compensation to investors in the form of capital appreciation with the hidden risk of Claimants having to pay income taxes on the appreciation each year. Claimants further alleged the Respondents invested more of their funds than they authorized them to invest and did not follow their instructions to invest their capital in only low risk investments. Respondents Dean Witter Reynolds, Inc. and Scott James maintained the Claimants indicated to the Respondent Scott James that their primary investment objectives were high monthly income, protection of principal and a cash flow of \$1,200.00 per month and consistent with their objectives Scott James recommended and discussed with them investment of funds in a combination of GNMA pool and zero coupon treasury strips and Claimants agreed to this strategy and authorized Scott James to purchase the foregoing investments for their account. Respondents further maintained they informed the Claimants that a reduction in principal value might occur in the beginning with a new GNMA pool, but if Claimants held onto the investment, it was likely that they would reach the desired monthly cash flows. Respondents further maintained the investments were suitable for Claimants and market conditions and events not caused by Respondents were responsible for Claimants' alleged losses.

### RELIEF REQUESTED

Claimants requested that their account be returned to its original status as of the date of opening the account with Dean Witter Reynolds, Inc. and that they receive interest at the prime rate of interest from that date through the date of the award, as well as attorneys' fees and costs. Respondents requested dismissal of Claimants' claims in their entirety and that costs be assessed against the Claimants.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Prior to the commencement of the first hearing session the arbitration panel was informed that the Claimant Rebecca J. Lipp was withdrawing her claims against all Respondents.
2. The Claimant Omajeanne J. Albrecht claims be and hereby are dismissed in all respects.
3. The parties shall each bear their respective costs, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

3 sessions X \$400.00 = \$1,200.00 minus hearing session deposit of \$400.00 = net \$800.00 due.

The Claimant shall pay to the National Association of Securities Dealers, Inc. the sum of \$200.00 to represent forum fees and the Respondents Dean Witter Reynolds, Inc. and Scott James be and hereby are liable jointly and severally and shall pay to the National Association of Securities Dealers, Inc. the sum of \$600.00 to represent forum fees.

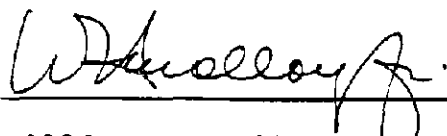
The National Association of Securities Dealers, Inc. shall retain the \$20.00 claim filing fee paid and the Claimant shall pay to the National Association of Securities Dealers, Inc. the sum of \$80.00 to represent the balance of the claim filing fee owed to the National Association of Securities Dealers, Inc.

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

**CONCURRING ARBITRATORS' SIGNATURE**

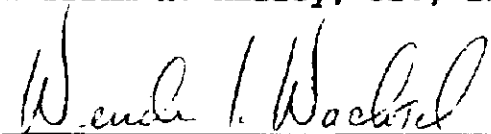
Name

Public/Industry



William H. Malloy, Jr., Esq.

Public Arbitrator



Wendie L. Wachtel

Industry Arbitrator



Daniel A. Ball, Esq.

Public Arbitrator

DATED BY NASD: September 25, 1991