

N.A.S.D. AWARD
NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Raymond G. & Mabel Chandler

21-00461

Name of Respondent(s)

Dean Witter Reynolds, Inc.

Tom Burke

Public/Industry

Public/Chairperson

Public

Industry

REFERENCES

Claimants were represented by H Thomas Fehn, Esq.

Respondents were represented by Wendy R. Robinson, Esq.

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on February 12, 1991.

Claimants, Raymond G. and Mabel Chandler (Chandler) allege that Respondent Tom Burke (Burke) while employed by Respondent, Dean Witter Reynolds, Inc., (DWR) recommended to Chandler that he invest approximately \$85,000.00 in the high yield bond fund. Chandler followed his advise and subsequently suffered losses in the fund totalling \$60,000.00. Chandler claims that he was never informed of the losses in the fund and was not made aware of the high risk involved in the investment. Claimants are of advanced years and have no other source of income other than a pension and Social Security. Chandler claims that Burke misrepresented the nature of these investments for the entire duration of his relationship with the claimants.

Respondents Burke and DWR, answering jointly, assert that claimants wanted to realize more income from their account than they were receiving from a Government Securities Trust, their initial investment at DWR. The idea of purchasing a high yield fund was Chandler's and Burke alleges that he attempted to convince the Chandlers to stay in their government fund. The Chandlers, however, insisted on purchasing the highest yielding fund that DWR offered.

Respondents also assert that the actual out-of-pocket damages were \$18,000.00, not \$60,000.00

RELIEF REQUESTED

Claimants, Raymond G. and Mabel A. Chandler, seek to recover general damages in the amount of \$60,000.00, punitive damages, interest, costs and attorneys' fees.

Respondents, Dean Witter Reynolds, Inc., and Tom Burke, seek dismissal of the claim in its entirety plus costs.

AWARD

On June 4, 1991, in Los Angeles, California, during a hearing lasting two sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants, Raymond G. Chandler and Mabel A. Chandler on February 5, 1991 and signed by Wendy R. Robinson, Esq. on behalf of Respondent, Dean Witter Reynolds, Inc. on March 18, 1991 and by Respondent Tom Burke on March 8, 1991.


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

1. Respondents, Dean Witter Reynolds, Inc. and Tom Burke, are jointly and severally liable and shall pay to Claimants, Raymond G. Chandler and Mabel A. Chandler, the sum of thirty two thousand, eight hundred forty dollars and no cents. (\$32,840.00)
2. The parties shall each bear their respective costs including attorneys' fees.

FORUM FEES

In accordance with Section 43c of the NASD Code of Arbitration Procedure, the NASD shall retain the \$650.00 filing fee previously deposited by the Claimant as an assessment of forum fees by the arbitrators. In addition, Respondents are also assessed fees of \$650.00. Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators Signatures


George M. Weiner, Esq.

Date of Decision: _____