

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between

Name of Claimant

Mary Lee Williams

91-01091

Name of Respondents

Dean Witter Reynolds, Inc.  
Ray Powell

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REPRESENTATION

For Claimant: Donald W. Stewart, Esq.

For Respondents: A. Danner Frazer, Jr., Esq. of the law firm of Frazer,  
Greene, Philpot & Upchurch.

CASE INFORMATION

Statement of Claim filed on: April 8, 1991.

Claimant's Submission Agreement signed on: April 3, 1991.

Joint Statement of Answer filed by Respondents on: June 12, 1991.

Respondents Submission Agreements signed on: July 11, 1991.

Amendment to Statement of Answer filed on: November 12, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: December 3, 1991, 3 Sessions.

Hearing Location: NASD offices located in Atlanta, Georgia.

CASE SUMMARY

Claimant alleged that Respondents placed Claimant's money into margin accounts without considering Claimant was an unsophisticated investor and without fully explaining this transfer to Claimant. Claimant further alleged Respondents conducted excessive trading in Claimant's account and made inappropriate investments with Claimant's funds, contrary to her stated investment objectives, without Claimant's authorization and did not explain the trades to Claimant as they were executed and did not inform her of the risks in her investments. Claimant further alleged she has requested all the documentation from her file and Respondents have failed to turn it over to her.

Respondents maintained Respondent Ray Powell discussed opening a margin account with Claimant and explained it fully and explained its potential for profit or loss and the fact that stock purchases and cash taken from the account would be loans that would incur interest and that market declines could precipitate margin calls which would either have to be covered with additional investments or the sale of securities. Respondents further maintained Respondent Ray Powell discussed all stock purchases and sales with Claimant in advance and all trades were only done with her approval and all trades were appropriate for the Claimant. Respondents further maintained all account information has been readily available to Claimant at any time and Respondent Ray Powell has not misled or misrepresented any facts to Claimant; Claimant controlled the activity in her account and the trading was not excessive in light of Claimant's investment objectives. Respondents further maintained Claimant's claims are barred by the applicable statutes of limitations.

RELIEF REQUESTED

Claimant requested damages of \$56,159.00, plus punitive damages in the sum of \$112,318.00.

Respondents requested dismissal of all claims against them.

HEARD

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. The Respondents be and hereby are liable jointly and severally and shall pay to the Claimant the sum of \$35,000.00.
2. The Claimant's request for punitive damages is denied.
3. Each party shall 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.

\$750.00 X 3 Sessions = \$2,250.00 minus hearing session deposit  
of \$750.00 = net \$1,500.00 due.

The Respondents be and hereby are liable jointly and severally and shall pay to the NASD the sum of \$1,500.00 to represent forum fees.

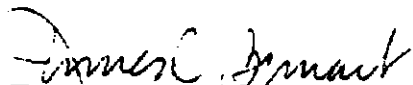
The NASD shall retain the \$200.00 claim filing fee previously deposited by the Claimant.

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

CONCURRING ARBITRATORS' SIGNATURES

Name

Public/Industry

  
James C. Bussart, Esq.

Public Arbitrator

Date of Decision:

1/31/92

Dated by the NASD, Inc.: February 4, 1992

1. The Respondents be and hereby are liable jointly and severally and shall pay to the Claimant the sum of \$35,000.00.
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Fees are payable to the National Association of Securities Dealers, Inc.

CONCURRING ARBITRATORS' SIGNATURE

Name

Public/Industry

T. Brooks Pearson, Esq.  
T. Brooks Pearson, Esq.

Public Arbitrator

Date of Decision:

January 31, 1992

Dated by the NASD, Inc.: February 4, 1992

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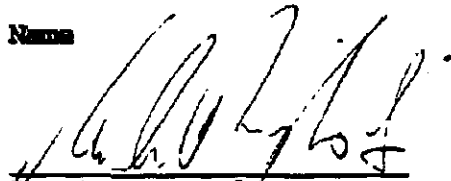
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Fees are payable to the National Association of Securities Dealers, Inc.

CONCERNING ARBITRATORS' SIGNATURE

Name

Public/Industry

  
Morris A. Broyles

Industry Arbitrator

Date of Decision: February 4, 1992

Dated by the NASD, Inc.: February 4, 1992