

## NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between :

Dean Witter Reynolds, Inc. :

Claimant :

CASE #91-01250

vs. :

AWARD

Ernie S. and Leora C. Perea :

Respondents :  
-----CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 22, 1991, Claimant, Dean Witter Reynolds, Inc. by and through their outside counsel, Dominick J. Dorata, Esq., Sole Practitioner, New York, New York, alleged that Respondents Ernie S. and Leora C. Perea, public customers, owed a debit balance on their Active Assets Account due to Visa charges and charges for checks drawn on the account. Claimant further alleged that no part of the unsecured debit balance has been paid although duly demanded.

Respondents, Ernie C. and Leora C. Perea failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant, Dean Witter Reynolds, Inc. requested \$3,661.30 in actual damages plus interest at 11 3/4% per annum from November 30, 1990 together with costs and disbursements.

Respondents, Ernie S. and Leora C. Perea failed to file an Answer to the Statement of Claim.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, George F. Bingham, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March

27, 1991 and not by the Respondents as required by Section 12 & 13 of the NASD Code of Arbitration Procedure.

1. In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondents, Ernie S. and Leora C. Perea were served a copy of the Statement of Claim by regular mail on April 29, 1991 and given an opportunity to respond, which they failed to do. Respondents were notified on June 25, 1991, via certified mail, that their Statement of Answer was overdue. Respondents were notified on August 16, 1991, via certified mail, of the selected arbitrator, pursuant to Section 21 of the NASD Code of Arbitration Procedure.

Service was effected on Respondents, Ernie S. and Leora C. Perea, as evidenced by the Affidavit of Service from the Deputy Sheriff of Maricopa County, Arizona, dated January 21, 1992. Respondents failed to file an Answer to the Statement of Claim.

2. Pursuant to the By-Laws of the NASD the arbitrator determined that Respondents, Ernie S. and Leora C. Perea were required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

And, 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, Ernie S. and Leora C. Perea are jointly and severally liable and shall pay to the Claimant, Dean Witter Reynolds, Inc. the sum of \$3,661.30 in damages.
2. Respondents, Ernie S. and Leora C. Perea are jointly and severally liable and shall pay to the Claimant, Dean Witter Reynolds, Inc. simple interest at the rate of 11 3/4% per annum from November 30, 1990 to the date of payment of the award.
3. Respondents, Ernie S. and Leora C. Perea are jointly and severally liable and shall pay to the Claimant, Dean Witter Reynolds, Inc. the sum of \$115.00, representing costs.

4. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant, Dean Witter Reynolds, Inc. shall be retained by the NASD, Inc. Respondents, Ernie S. and Leora C. Perea shall pay to the Claimant the sum of \$575.00 as reimbursement.

AFFIRMATION

I, GEORGE G. BINGHAM, ESQ., 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.

  
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Signature of Arbitrator

DATE OF DECISION: April 10, 1992