

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Jon Rohs

91-02551

Name of Respondent

Dean Witter Reynolds, Inc.

REPRESENTATION

For Claimant: Francis T. Ryan, Esq. of Ryan & Mikan, Minneapolis, Minnesota.

For Respondent: Scott E. Richter, Esq. of Popham Haik Schnobrich & Kaufman, Ltd., Minneapolis, Minnesota.

CASE INFORMATION

Statement of Claim filed: August 16, 1991.

Claimant's Submission Agreement signed on: August 7, 1991.

Statement of Answer filed by Respondent on: November 4, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: July 13, 1992 for two (2) sessions;
July 14, 1992 for three (3) sessions.

Hearing Location: Minneapolis, Minnesota.

CASE SUMMARY

Claimant Jon Rohs ("Rohs") alleged that Respondent Dean Witter Reynolds, Inc. ("Dean Witter") through its agent, misrepresented the purchase of over \$500,000 of "Edina Bonds" as a safe investment to Rohs. Rohs alleged that he was not provided full, fair, and complete disclosure of the investment. Rohs further alleged that Dean Witter, through its agent, misrepresented the liquidity and the margin account interest

deductible for Allstate Municipal Premium Income Trust and also misrepresented the interest payments and margin account rate for the High Income Advantage Trust III. Rohs also alleged that Dean Witter's agent advised Rohs to sell his Allstate Municipal Premium Income Trust and by USX on margin for the purpose of generating excessive commissions and fees. Rohs alleged that Dean Witter breached its fiduciary duty owed to Rohs, misrepresented, engaged in excessive trading, and misstated and omitted material facts.

Respondent Dean Witter Reynolds, Inc. ("Dean Witter") generally denied the allegations set forth in the Statement of Claim. Dean Witter alleged that Rohs is a knowledgeable and experienced investor who carefully monitored the market and the activity in his own account. Dean Witter further alleged that Rohs understood the investments he was making and the risks that they entailed. Dean Witter asserted the Statute of Limitations as a defense and also alleged that there is no basis for claims asserted.,

RELIEF REQUESTED

Claimant requested rescission of the investments with damages in the sum of the investment, plus lost use of the money invested, less cash distributions received, or in the alternative, out of pocket damages plus lost use of the money invested, disgorgement of profits earned by Respondent, attorney's fees, reasonable costs of this action, including all costs to investigate the case for violations of Securities Exchange Act of 1934, Sections 10(b) and 20(a), violations of Securities Exchange Act of 1933, Sections 12(1), 12(2) and 15, State Securities laws, and Minnesota Consumer Fraud Statute, treble damages, including the lost use of the money invested, attorney's fees, reasonable costs of the action for violation of RICO, rescission of the investments with damages in the sum of the investments, plus lost use of the money invested, less cash distributions received, or in the alternative, out-of-pocket damages plus lost use of the money invested for fraudulent misrepresentations and omissions, negligence, breach of fiduciary duty, conspiracy and aiding and abetting, and punitive damages, plus such other relief as the arbitrators may grant.

Respondent requested that the Statement of claim be denied in all respects.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

Respondent Dean Witter Reynolds, Inc. did not file with the NASD a properly executed submission agreement, but having answered the Statement of Claim, appeared and testified, is bound by the determination of the panel on all issues submitted and considered by the panel, pursuant to Section 12 of the NASD Code of Arbitration Procedure.

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. Respondent Dean Witter Reynolds, Inc. shall be and hereby is liable for and shall pay to the Claimant John Rohs, damages in the sum of Fourteen Thousand Twenty Five Dollars and no cents (\$14,025.00);
2. No interest shall be awarded on the above sum;
3. The Claimant's Statement of Claim for rescission is denied; and,
4. Each of the parties shall bear their own costs and expenses incurred, including attorney's fees, other than those specifically enumerated for herein.

FORUM FEES

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

5 sessions X \$1000 = \$5,000 minus hearing session deposit of \$1,000 = net \$4,000 due.

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Forum fees Assessed Against Respondent Dean Witter Reynolds, Inc. in the amount of \$4,000. Dean Witter shall also reimburse the hearing session deposit previously deposited with the NASD, in the amount of \$1,000 to the Claimant John Rohs.

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

By The Arbitration Panel:

Dated:

Douglas D. McFarland, Esq. Chairperson
Public Arbitrator

Wendy A. Sacha
Wendy A. Sacha
Public Arbitrator

Aug. 30th, 1992

Edward C. Oliver
Industry Arbitrator

Date Award Served By The NASD: _____