

## NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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 In the Matter of the Arbitration Between :

Robert W. Hollis, III :

Claimant :

vs. :

Dean Witter Reynolds, Inc. . :  
 Karen Varnhagen :

Respondents :

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CASE #91-02880  
 AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 17, 1991, Claimant, Robert W. Hollis, III, who appeared Pro Se, alleged that Respondents Dean Witter Reynolds, Inc. and Karen Varnhagen charged him with excessive commissions that were not disclosed to him prior to his purchase of zero coupon treasury bonds. The Claimant further alleged that he would not have authorized this purchase had he been made aware of this commission, which was the Respondents' responsibility.

Respondents, Dean Witter Reynolds, Inc. and Karen Varnhagen, through their in-house counsel, Jay M. Cutler, Esq., maintained that this investment was discussed at length with the Claimant and that the commission charged was not excessive; he paid approximately 6%, which is customary and appropriate for such an investment. Respondent further maintained that when they learned of the Claimant's dissatisfaction with the charges, they offered to refund him the \$250.00 commission and waive the \$50.00 account closing fee if he would take his account elsewhere.

RELIEF REQUESTED

Claimant, Robert W. Hollis, III requested \$850.00 in actual damages, plus interest and cancellation of the transaction plus return of the funds.

Respondents, Dean Witter Reynolds, Inc. and Karen Varnhagen requested the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Mary K. Ison, 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 September 13, 1991 and by the Respondents on October 30, 1991.

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. The Respondents, Dean Witter Reynolds, Inc. and Karen Varnhagen are jointly and severally liable and shall pay to Claimant, Robert E. Hollis, III \$255.00 in actual damages.
2. All other claims of Claimant, Robert E. Hollis, III against Dean Witter Reynolds, Inc. and Karen Varnhagen are denied.
3. The parties shall bear their respective costs.
4. The \$30.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained. Dean Witter Reynolds, Inc. shall pay \$15.00 to Claimant, Robert W. Hollis, III as partial reimbursement for the filing fee.

AFFIRMATION

I, **MARY K. ISON, 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: June 10, 1992