

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Robert and Marguerite Henderson

91-03731

Name of Respondents

Dean Witter Reynolds, Inc.

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4389

REPRESENTATION

For Claimants: Stephen Sussman, Esq. of the law firm of Borker & Sussman.

For Respondent: David E. Steckler, Esq. of the law firm of Rivkin, Radler & Kremer.

CASE INFORMATION

Statement of Claim filed: November 26, 1991.

Claimant's Submission Agreement signed on: July 29, 1992.

Statement of Answer filed by Respondent on March 31, 1992.

Respondent Dean Witter Reynolds, Inc.'s Submission Agreement signed on: March 30, 1992.

HEARING INFORMATION

Hearing Dates/Sessions: July 24, 1992/2 sessions and August 17, 1992/2 sessions.

Hearing Location: NASD offices located in New York City, New York.

CASE SUMMARY

Claimants alleged that Respondent failed to adhere to the requirements of Claimants' trading authorization which provided that Respondent was "not authorized to sell any 'naked' options or 'unhedged' commodities or options thereon, or to incur a debit balance in excess of \$500,000.00 or to direct the transfer of any cash securities or other assets out of the account with Dean Witter Reynolds, Inc.

Respondent maintained the Claimant Robert Henderson was a sophisticated investor and clearly authorized the transaction in dispute and received and reviewed the account statement reflecting the transaction and raised no complaint at the time. Respondent further maintained Claimants' ratified the transaction complained of and Claimants' by their conduct and under all the circumstances of the case are estopped from asserting the claims made and Claimants should not be permitted to avoid the consequences of their own investment by misconstruing the wording of "Rider A" to the Trading Authorization Form.

RELIEF REQUESTED

Claimants requested damages of \$100,000.00 together with interest from June 1, 1988 plus attorneys' fees.

Respondent requested a dismissal of claim plus attorneys' fees.

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. The Respondent be and hereby is liable and shall pay to the Claimant the sum of \$50,000.00 inclusive of interest.
2. Each party shall bear their respective costs including attorneys' fees.

FORUM FEES

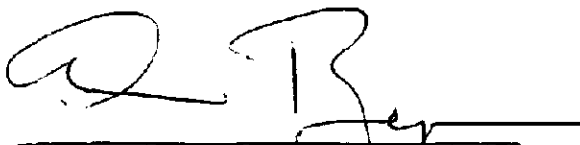
Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

4 sessions X \$750.00 = \$3,000 minus hearing session deposit of \$650.00 = net \$2,350.00 due.

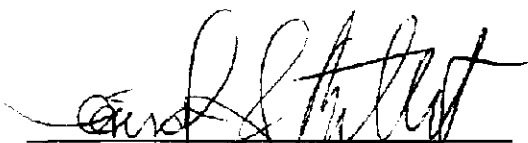
The Claimant be and hereby is liable and shall pay to the NASD the sum of \$850.00 to represent forum fees and the sum of \$200.00 for the claim filing fee that is outstanding. The Respondent be and hereby is liable and shall pay to the NASD the sum of \$1,500.00 to represent forum fees.

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

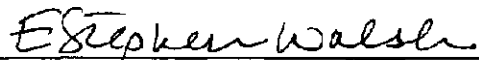
ARBITRATION PANEL



Andrew Berger, Esq./Chairperson
Public Arbitrator



David S. Billet, Esq./Panelist
Public Arbitrator



E. Stephen Walsh, Esq./Panelist
Industry Arbitrator

Date of Decision: September 3, 1992

STATE OF: New York
COUNTY OF: New York

S.S.:

On this 26 day of August, 1992, before me personally appeared **Andrew Berger, Esq.** known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

SUSAN PAPACCIOLI
Notary Public, State of New York
No. 41-4848202
Qualified in Queens County
Commission Expires Jan. 31, 1994

Susan Papacciol

STATE OF: New York
COUNTY OF: New York

S.S.:

On this 21st day of August, 1992, before me personally appeared **David S. Billet** known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

VALERIE S. WOLFMAN
Notary Public, State of New York
No. 4858857
Qualified in New York County
Term Expires 9/25/93

Valerie S. Wolfman

STATE OF: New York
COUNTY OF: New York

S.S.:

On this 15th day of September, 1992, before me personally appeared **E. Stephen Walsh, Esq.** known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

BARBARA J. SEEWAH
Notary Public, State of New York
No. 42-4899693
Qualified in Richmond County
Commission Expires 7/27/93

Barbara J. Seewah