

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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

In the Matter of the Arbitration Between

Name of Claimants

Linda Karaszewski

92-00450

Name of Respondents

Dean Witter Reynolds Inc.  
Frederick Ricken

REPRESENTATION

For Claimant: Jeffrey A. Sellers, Esq. of Silverberg, Yood, Sellers & McGorry.

For Respondents: Edward W. Larkin, Esq. of Dean Witter Reynolds, Inc.

CASE INFORMATION

Statement of Claim filed: February 5, 1992.

Claimant's Submission Agreement signed on: January 27, 1992.

Joint Statement of Answer filed by Respondents, Dean Witter Reynolds, Inc. and Frederick Ricken on: March 30, 1992.

Respondents, Dean Witter Reynolds and Frederick Ricken did not submit executed Submission Agreements.

HEARING INFORMATION

Hearing Dates/Sessions: August 12, 1992 - Two Sessions.

Hearing Location: Hyatt Regency Hotel - Buffalo, New York.

CASE SUMMARY

Claimant, alleged that when her husband died, she invested the insurance proceeds she received with Respondent, Frederick Ricken ("Ricken") who worked for Respondent, Dean Witter Reynolds, Inc. ("Dean Witter"). Claimant alleged that she met with Ricken and explained her lack of sophistication, her need to earn some monthly income and her unwillingness to take any risks and lose capital.

Claimant alleged that her funds were invested in CDs and a Dean Witter government securities fund. Claimant alleged that subsequently, two CDs were sold and the proceeds were used to purchase shares of a Dean Witter high yield securities fund. Claimant alleged that Ricken assured her that this investment was safe and suitable for her objectives. Claimant alleged that she was placed in other securities which were unsuitable for her, given her stated investment objectives. Claimant alleged that Ricken failed to disclose to her that commissions had been paid in regard to the purchase of certain investments.

Respondents denied that the investments made for the Claimant's account were unsuitable for her. Respondents maintained that Claimant received a prospectus and a complete description of the Dean Witter High Yield Fund ("the Fund"). Respondents maintained that this investment was chosen for the Claimant because it was consistent with her stated investment objectives. Respondents maintained that Claimant was advised that the value of the Fund could fluctuate and that she did not complain. Respondents maintained that the Claimant discussed selling her shares with Ricken and decided not to sell. Respondents maintained that they are not responsible for the decline in value sustained by the account.

#### RELIEF REQUESTED

Claimant requested actual damages in the amount of \$10,000.00 plus interest.

Respondents requested that the Claim be dismissed in its entirety and that costs be assessed against the Claimant.

#### OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. The parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.

Pursuant to the by-laws of the NASD, the arbitrator determined that Dean Witter Reynolds, Inc. and Frederick Ricken were required to submit to this arbitration, notwithstanding their failure to submit executed Submission Agreements. Therefore, Dean Witter Reynolds, Inc. and Frederick Ricken are bound by this panel's rulings and determinations.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Dean Witter Reynolds, Inc. and Frederick Ricken are hereby jointly and severally liable and shall pay to the Claimant, the amount of \$4,000.00 (FOUR THOUSAND DOLLARS AND 00/XX).
2. Interest in the amount of 9% is awarded on the above amount from the date of this award, until such time as the award is fully paid.
3. Each party shall bear their respective costs of this action, including attorney's fees.
4. All other Claims and Counterclaims, if any, are hereby denied in their entirety.

FORUM FEES

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

Non-refundable filing fee:       \$   75.00  
Hearing Session Fees:           \$ 400.00 (2 sessions x \$200.00)

1. Respondents, Dean Witter Reynolds, Inc. and Frederick Ricken, are hereby assessed forum fees in the amount of \$475.00. Respondents are directed to re-inburse to the Claimant the sum of \$275.00 (TWO HUNDRED SEVENTY FIVE DOLLARS AND 00/XX) that Claimant already deposited with the NASD. In addition, Respondents are hereby directed to pay the balance of \$200.00 (TWO HUNDRED DOLLARS) to the NASD.

Arbitrator's Signature

Robert Gleichenhau  
Robert Gleichenhau, Esq.

Public Chairperson

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Date of Decision October 8, 1992