

PUBLIC

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In The Matter of The Arbitration Between :

Kristen Sherwood Education Trust, :  
Gary Ingram, Trustee :

Claimants :

vs. :

CASE #92-00485  
AWARD

Dean Witter Reynolds Inc, :  
Monty Grau :

Respondents :  
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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 10, 1992, Claimant Kristen Sherwood Education Trust, through its Trustee Gary Ingram, alleged that Respondents Dean Witter Reynolds, Inc. and Monty Grau failed to inform the Claimants of the accredited value of Lincoln Savings and Loan relative to its selling price, and that since the Claimants paid a premium for the issue, the investment is at a loss.

Respondents, Dean Witter Reynolds, Inc. and Monty Grau, through their in-house counsel Edward W. Larkin, Esq., maintained that they deny any improper conduct and that they are not responsible because of the economic conditions and market fluctuations which caused Resolution Trust Co., who authorized Great Western Bank, to redeem all certificates of deposits assumed by Lincoln Saving & Loan Association. The Respondents further maintained that the decision to redeem the investment, not any wrong doing by them, caused the Claimants' loss, and are therefore not liable.

Respondent Monty Grau also filed an additional response to the claim in which he agreed with the Claimant that adequate disclosure was not provided at purchase and this was a Dean Witter Reynolds, Inc. oversight, therefore he should not be held liable.

RELIEF REQUESTED

Claimant, Kristen Sherwood Education Trust, Gary Ingram, TTEE requested \$2,227.05 in actual damages.

Respondents Dean Witter Reynolds, Inc. and Monty Grau requested the claims of the Claimants be dismissed.

AWARD

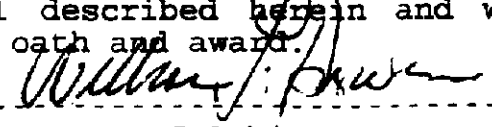
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, William L. Hawes, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on October 16, 1991 and by the Respondent Monty Grau on March 19, 1992 and not signed by Respondent Dean Witter Reynolds, Inc. as required by Section 12 and 13 of the NASD Code of Arbitration Procedure.

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. Respondent Dean Witter Reynolds, Inc. is liable and shall pay \$1,465.00 in actual damages to Claimants Kristen Sherwood Education Trust, Gary Ingram, TTEE.
2. The claims of the Claimants Kristen Sherwood against Respondent Monty Grau are dismissed in their entirety.
3. The parties shall bear their respective costs.
4. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD. Respondent Dean Witter Reynolds, Inc. is liable and shall pay \$50.00 to the Claimants as reimbursement.

AFFIRMATION

I, William L. Hawes, 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: \_\_\_\_\_