

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant
Irene Stone

NASD Arbitration
No. 92-03419

v.

Name of Respondents
Dean Witter Reynolds, Inc.
Richard Steele

REPRESENTATION

For Claimant: Paul N. Young, Securities Arbitration Group, Inc., Marina del Rey, California

For Respondent Dean Witter Reynolds: Curt H. Mueller, Esq., Dean Witter Reynolds, Inc., San Francisco, California

For Respondent Richard Steele: James F. Fotenos, Esq., Fotenos & Suttle, San Francisco, California

CASE INFORMATION

Statement of Claim filed: October 7, 1992

Claimant's Submission Agreement signed: September 28, 1992

Joint Statement of Answer filed: December 28, 1992

Respondents' Submission Agreements signed:
Dean Witter Reynolds on December 23, 1992
Richard Steele on July 21, 1993

HEARING INFORMATION

Pre-hearing telephone conference date / sessions: September 23, 1993 - one session

Hearing dates / sessions: June 6, 1994 - two sessions
June 7, 1994 - one session

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged misrepresentation, lack of suitability, and failure to supervise with respect to investments in limited partnership units of National Lease Income Fund 5 and U.S. Equipment Fund-III, Limited Partnership.

Respondents denied the allegations of the claim, and asserted that Claimant understood the risks of limited partnership investments and, based upon the financial information Claimant provided, was a suitable investor.

RELIEF REQUESTED

Claimant requested compensatory damages of \$170,093; plus interest and punitive damages of \$150,000.

Respondents requested dismissal of all claims and an award of costs of arbitration.

OTHER ISSUES CONSIDERED AND 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.

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. Respondents Dean Witter Reynolds and Richard Steele are jointly and severally liable for and shall pay to Claimant the sum of \$24,800 with respect to claims involving U.S. Equipment Fund-III.
2. Respondent Dean Witter Reynolds is solely liable for and shall pay Claimant the sum of \$6,600 with respect to claims involving National Lease Income Fund 5.

3. Interest on amounts awarded in paragraphs 1. and 2. above shall be paid to Claimant at the rate of 6% per annum from 1/1/92 to the date of this award and, if applicable, from 30 days after the date of this award until paid.
4. The claims for punitive damages are dismissed.
5. The parties shall each bear their respective costs, including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall retain the \$200 non-refundable filing fee and shall refund the \$750 hearing session deposit previously paid by Claimant.

Respondents are jointly and severally assessed all forum fees as follows:

One pre-hearing telephone conference @ \$300 / session	\$ 300
3 hearing sessions @ \$750 / session	<u>\$2,250</u>
	<u>\$2,550</u>

ARBITRATORS

Name

Aaron Fenton
Robert Clarke
Robert Dunlap

Public / Industry

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Concurring Arbitrators' Signatures

Aaron Fenton

Robert Clarke

Robert Dunlap

Date of Decision: 18 June 1994