

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Greg Pierog

92-04118

Name of Respondents

Dean Witter Reynolds Inc.
Steve McDevitt

REPRESENTATION

For Claimant Greg Pierog ("Claimant"): Christopher Lovell, Esq.

For Respondents Dean Witter Reynolds, Inc. ("Dean Witter") and Steve McDevitt ("McDevitt"): Alexander Bono, Esq. of the law firm of Blank, Rome, Comisky & McCauley

CASE INFORMATION

Statement of Claim filed on: December 4, 1992

Claimant's Submission Agreement signed on: September 30, 1992.

Answer and Reply to Counterclaim filed on March 3, 1993

Joint Statement of Answer and Counterclaim filed by Respondents Dean Witter and McDevitt (collectively referred to as "Respondents") on: February 23, 1993

Dean Witter's Submission Agreement signed on: February 19, 1993

McDevitt's Submission Agreement signed on: March 24, 1993

HEARING INFORMATION

Hearing Dates/Sessions:	November 3, 1993	-	2 sessions
	November 4, 1993	-	2 sessions
	November 30, 1993	-	2 sessions
	December 1, 1993	-	2 sessions
	December 22, 1993	-	2 sessions

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Hearing Location: Holiday Inn, 18th & Market Streets. Philadelphia, PA on hearing days 1, 2 & 3; NASD Philadelphia Office, 1818 Market Street, Philadelphia, PA on hearing days 4 & 5.

CASE SUMMARY

Claimant alleges that he opened a trading account with Dean Witter's Allentown, Pennsylvania office through Steve McDevitt. Claimant represented himself as private businessman with some experience trading commodities. Claimant agreed to a round term charge structure but did not negotiate an interest payment from his equity account.

Claimant asserts that Dean Witter and McDevitt misled him concerning his day trading authorization and that McDevitt misled him as to his authority to engage in "double barreled" trades. He also argues that the \$252,706.00 paid in commissions, fees and charges was excessive per industry standards. Claimant says that this is not a churning case.

On August 7, 1992, Claimant placed a variety of purchase and sell orders with McDevitt. One of the orders was not executed since McDevitt said Claimant did not have enough equity in his account and Claimant ended with a shortfall from his Swiss Franc Contract trading. The following business day, Respondent liquidated Claimant's Soy Bean Contracts to make up this shortfall. However, a \$42,891.00 debit remained despite the Soy Bean liquidation.

Respondents asserted that Claimant was given until the next business day to meet his \$90,000.00 margin call or face liquidation. Claimant stated that he had no intention of meeting the margin call. Therefore, Respondents liquidated Claimant's soybean contract's, leaving a debit of \$42,891.00

DEFENSES: Respondents is not an insurer against Claimant's unsolicited orders: that Claimant is barred by estoppel ratification, failure to mitigate, assumption of risk and contributory negligence. Respondents also asserted that all duties toward Claimant were satisfied; punitive damages are not allowed; that Claimant received adequate warning about risk in speculative commodity trading and that Claimant is not permitted costs and expenses.

RELIEF REQUESTED

Claimants requested: Actual damages of \$230,000.00
Mental anguish

Punitive damages of \$1,000,000.00
Damages for loss of profits on soybeans

Respondents requested: \$42,891.00 plus further interest, attorneys fees and expenses.

OTHER ISSUES CONSIDER AND DECIDED

The parties have agreed that the award in this matter be executed with counterpart copies. The parties have agreed to receive either conformed or counterpart 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 arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondent is liable to the Claimant and shall pay to the Claimant the sum of \$250,477.50. The list below breaks down the Panel's determination of damages as follows:

\$114,602.50 - Award to Claimant on Soybean loss
\$178,766.00 - Award to Claimant on profits and losses on 350
Swiss Franc contract's purchased
\$293,368.50 = Gross Award
(\$ 42,891.00)-net out the Debit Balance Claimant owes to Dean
Witter
\$250,477.50 Net Award

2. As referenced in the list above, the Claimant was liable to Dean Witter on its counterclaim in the amount of \$42,891.00 and that amount was taken into consideration and was used to offset the total amount awarded to the Claimant.
3. That the respective parties shall bear their own costs and attorneys' fees; except as specifically stated herein.
4. That all other claims, including Claimant's claim for punitive damages are denied in their entirety.

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FORUM FEES

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

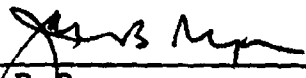
10 hearings sessions X \$1,000 = \$10,000

The Panel determined that the \$10,000 in forum fees incurred in this arbitration shall be borne equally by the Claimant and the Respondents. Claimant is assessed forum fees in the amount of \$5,000, however, Claimant is entitled to offset this amount with his hearing session deposit of \$750 so that the amount due from the Claimant is \$4,250. Respondents Dean Witter and McDevitt are jointly and severally assessed forum fees in the amount of \$5,000.

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

Concurring Arbitrator's Signature
Name

Public/Industry



John B. Ryan

Industry Arbitrator

NASD Date of Decision: February 16, 1994

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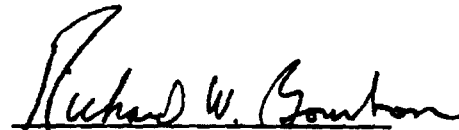
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Concurring Arbitrator's Signature
Name

Public/Industry



Richard W. Bourban, Esq.
Chairman

Public Arbitrator

NASD Date of Decision: February 16, 1994