

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

George M.B. Reading
Dorothy T. Reading

NASD Arbitration
No. 93-03465

Name of Respondent(s)

Dean Witter Reynolds Inc.
J. Donald Toms
Lloyd Kelly

REPRESENTATION

For Claimants: Philip W. Coats, Esq., Law Office of Patrick R. Frega, San Diego, California

For Respondents: James P. Delphey, Esq., Seltzer Caplan Wilkins & McMahon, San Diego, California

CASE INFORMATION

Statement of Claim filed: August 30, 1993

Claimants' Submission Agreements signed as follows:

George M.B. Reading: August 13, 1993
Dorothy T. Reading: August 20, 1993

Joint Statement of Answer filed by Respondents: November 11, 1993

Respondents' Submission Agreements signed as follows:

Dean Witter Reynolds Inc.: October 20, 1993
J. Donald Toms: October 26, 1993
Lloyd Kelly: October 26, 1993

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): May 23, 1995 (two sessions)
May 24, 1995 (two sessions)
May 25, 1995 (two sessions)
May 26, 1995 (two sessions)

Hearing Location: San Diego, California

CASE SUMMARY

Claimants alleged the following causes of action with respect to their limited partnership investments: 1) Breach of Fiduciary Duty; 2) Fraud and Deceit; 3) Negligence; 4) Constructive Fraud; and 5) Breach of Contract.

Respondents denied each and every one of the claims asserted against them by Claimants in their Statement of Claim, and specifically denied that they breached any obligation owed to Claimants and further denied any liability to Claimants. Respondents alleged that at all times they acted with professionalism and dedication toward Claimants and alleged that it is unfortunate that some of the real estate-related investments held by Claimants have, in hindsight, produced disappointing results thus far. Respondents further alleged that these investments at the time were recommended reasonably and in good faith by Respondent Toms, and were made after thorough discussion and with open eyes by the Claimants. Respondents also asserted various defenses.

RELIEF REQUESTED

Claimants requested:

1. Compensatory damages of approximately \$141,000.00;
2. Interest;
3. Punitive damages;
4. Costs of arbitration; and
5. Attorney's fees.

Respondents requested dismissal of Claimants' claims in their

entirety, costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 National Association of Securities Dealers, Inc. (NASD).

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, including the positions of the parties relative to Respondents' Motion to Dismiss, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents' Motion to Dismiss is denied.
2. Respondents are jointly and severally liable for and shall pay to Claimants the sum of \$113,815.00, in satisfaction of Claimants' claims. Claimants shall return to Dean Witter Reynolds Inc. their shares of the NHP Retirement Housing Partners I and Dean Witter Realty Growth limited partnerships.
3. Claimants' claim for punitive damages is denied.
4. 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 following forum fees are assessed: The NASD shall refund the \$750.00 hearing session deposit previously deposited by the Claimants. Forum fees are assessed against: Respondents, jointly and severally, in the amount of \$6,000.00, calculated as follows: Eight hearing sessions times \$750.00/session.

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

ARBITRATORS

Name Public / Industry

William R. Newsome, Esq.

Public Arbitrator

Shirley R. ODell

Public Arbitrator

Lewis C. Brown

Industry Arbitrator

Concurring Arbitrators' Signatures



William R. Newsome, Esq.

Shirley R. ODell

Lewis C. Brown

Served 6/22/95

Date of Decision: May 26, 1995

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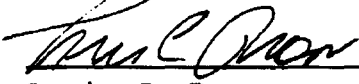
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