

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Dean Witter Reynolds, Inc.

94-00048

Name of Respondent

Steven and Shelley Telsey

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 4, 1994, Claimant Dean Witter Reynolds, Inc., through its representative, B. Carole Hoffman, Esq., Ocean, New Jersey, alleged that Respondents Steven and Shelley Telsey were clients of the Claimant by virtue of a signed Active Assets Account Agreement. The Claimant further alleged that pursuant to the Agreement, the Respondents agreed that each account owner shall be jointly and severally liable for the account and further agreed to make prompt payment of any outstanding amounts due to the Claimant with interest to be charged on any debit balances or advances. Claimant contended that on or about March 27, 1992, the Respondents deposited check No. 277 into the account and that this check "was returned for insufficient funds", resulting in a negative balance of \$11,336.87, including interest. Claimant alleged that despite giving notice to the Respondents, they have not paid. Claimant contended that interest has continued to accrue on said debit such that the outstanding amount, as of December 31, 1992, was \$11,992.41. As a result of the above, Claimant alleged that it has suffered damages for which the Respondents should be held liable.

Respondents Steven and Shelley Telsey did not file a Statement of Answer.

RELIEF REQUESTED

Claimant Dean Witter Reynolds, Inc. requested \$10,000.00 in actual damages, plus accrued interest at the Agreement rate from April 2, 1992 and costs.

Respondents Steven and Shelley Telsey did not file a Statement of Answer.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondents, Steven and Shelley Telsey, were served a copy of the Statement of Claim by regular mail and were given an opportunity to respond, which they failed to do. Service of notification of the Arbitrator's identity was also effected as evidenced by a return receipt card on file with the NASD, Inc.

Pursuant to the By-laws of the NASD, Inc., the Arbitrator determined that Respondents Steven and Shelley Telsey had notice of the claim and were required to submit to this arbitration proceeding; and are, therefore, bound by the arbitrator's ruling and determination.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Ralph Smathers, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on December 17, 1993, but not signed by the Respondents as required by Section 12 & 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. Respondents Steven and Shelley Telsey are jointly and severally liable and shall pay to Claimant Dean Witter Reynolds, Inc. \$10,000.00 in actual damages.
2. Respondents Steven and Shelley Telsey are jointly and severally liable and shall pay to Claimant Dean Witter Reynolds, Inc. interest at the Agreement rate from April 2, 1992 to the date of payment of the Award.
3. The parties shall bear their respective costs.
4. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondents Steven and Shelley Telsey are jointly and severally liable and shall pay to Claimant Dean Witter Reynolds, Inc. \$575.00 as reimbursement of the filing fee.

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AFFIRMATION

I, **RALPH SMATHERS**, 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.



Signature of Arbitrator

DATE OF DECISION:

November 29, 1994