

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

---

In the Matter of the Arbitration Between

Name of Claimants

Elaine Berel

94-00211

Name of Respondents

The Dreyfus Service Corporation

---

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 18, 1994, Claimant Elaine Berel, who appeared Pro Se, alleged that she was told by a representative of Respondent The Dreyfus Service Corporation ("Dreyfus") that she could receive a higher yield on her money if it was held in the Dreyfus U.S. Treasury Intermediate Fund ("Intermediate Fund"), rather than the Dreyfus 100% U.S. Treasury Money Market Fund ("Money Market Fund") where she was currently invested. Claimant further alleged that the representative of Respondent told her that the Intermediate Fund was also a money market fund. Claimant contended that based on this advice from Respondent she transferred her and her daughter's funds from the Money Market Fund into the Intermediate Fund. Claimant further contended that subsequent to this transfer of funds she discovered that the Intermediate Fund was not a money market fund with a stable share value, but in fact was a bond fund with a fluctuating share value. Claimant alleged that she and her daughter then transferred back to the Money Market Fund at a substantial loss. As a result of the above, Claimant contended that she has suffered damages for which the Respondent should be held liable.

Respondent The Dreyfus Service Corporation, through its representative Todd Lebo, maintained that the Claimant had received a prospectus detailing both the Money Market Fund and the Intermediate Fund prior to making her initial investment in the Money Market Fund. Respondent further maintained that had the Claimant reviewed this prospectus, she would have learned that the Intermediate Fund had a higher yield than the Money Market Fund because it

invests in securities having longer maturities than the securities in which the Money Market Fund invests, and that the Intermediate Fund had a greater risk of net asset value fluctuation than the Money Market Fund. Respondent contended that the Claimant's losses were caused by her decision to seek higher returns, and to assume a greater risk of net asset value fluctuation by making the transfer to the Intermediate Fund. Respondent further contended that the Claimant's failure to fully review the combined prospectus prior to making her investment decision is the true cause of her loss, rather than the conduct of the Respondent. Respondent maintained that prior to filing this arbitration, Claimant filed a complaint with the National Association of Securities Dealers, Inc. ("NASD"), and that the NASD concluded that no action was warranted against the Respondent. Respondent further maintained that since Claimant's daughter is not a party to this arbitration proceeding, it would not address her allegations against Respondent. As a result of the above, Respondent contended that it should not be held liable in this matter.

#### **RELIEF REQUESTED**

Claimant Elaine Berel requested \$1,094.40 in actual damages, and \$174.76 in actual damages on behalf of her daughter.

Respondent The Dreyfus Service Corporation requested that the Claimant's Statement of Claim be dismissed in its entirety.

#### **AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public arbitrator, Mathias E. Mone, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 10, 1994 and by the Respondent on May 13, 1994.

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 The Dreyfus Service Corporation is liable and shall pay to Claimant Elaine Berel \$1,094.40 in actual damages.
2. The parties shall bear their respective costs.

3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent The Dreyfus Service Corporation is liable and shall pay to Claimant Elaine Berel \$50.00 as reimbursement of the filing fee.

**AFFIRMATION**

I, **MATHIAS E. MONE**, do hereby affirm upon my oath of arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

A handwritten signature in cursive script, appearing to read "Mathias E. Mone", is written over a horizontal line.

Signature of Arbitrator

**DATE OF DECISION:** August 2, 1994

STATE OF NEW YORK ss.:

COUNTY OF NEW YORK

On this 29<sup>TH</sup> day of JULY 1994, before me personally appeared to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Lynn Feldman

LYNN FELDMAN  
Notary Public, State of New York  
No. 31-4701499  
Qualified in New York County  
Commission Expires Jan. 31, 1996