

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Norman G. Brown

94-01781

Name of Respondents

Dean Witter Reynolds, Inc.
Paul Henley

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on May 12, 1994, Claimant Norman G. Brown, through his representative, Robert M. Roth, R.M. Roth & Associates, Appleton, WI., alleged that Respondents Dean Witter Reynolds, Inc. ("DWR") and Paul Henley ("Henley"), sold him an unsuitable limited partnership and breached their fiduciary duties to him. Claimant further alleged that pursuant to Respondents' recommendation he invested in the Dean Witter Realty III Limited Partnership ("the L.P."). Claimant contended that this was a high risk, speculative, and illiquid investment. Claimant further contended that the nature of this investment was not disclosed at any time and he did not receive a prospectus prior to the transaction. Claimant further contended that no market exists for these units and he has suffered a loss for which Respondents should be liable.

Respondent Dean Witter Reynolds, Inc., through its representative and in-house counsel, Edward W. Larkin, Esq., maintained that pursuant to Section 15 of the NASD Code of Arbitration Procedure, since the transaction which is the basis for the Claim occurred more than 6 years prior to April 26, 1994, the date on which that Claimant signed his submission agreement, the transaction is not eligible for arbitration.

Respondent Paul Henley, did not submit an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Norman G. Brown, requested \$4,000.00 in actual damages, plus interest and costs.

Respondent Dean Witter Reynolds, Inc., requested that the claims of the Claimant be dismissed.

Respondent Paul Henley, did not submit an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 10 of the NASD Code of Arbitration Procedure, the Respondent Paul Henley, was served by regular mail and given an opportunity to respond, which he failed to do.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent Paul Henley, has notice of the claim, and was required to submit to this arbitration proceeding; and is, 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, Douglas E. Smith, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on April 26, 1994. The Respondents Dean Witter Reynolds, Inc. and Paul Henley, did not submit Submission Agreements as required pursuant to Sections 8 and 10 of the NASD Code of Arbitration Procedure.

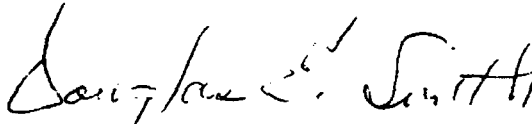
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents Dean Witter Reynolds, Inc. and Paul Henley, are jointly and severally liable and shall pay to the Claimant Norman G. Brown, \$4,000.00 in actual damages.
2. Respondents Dean Witter Reynolds, Inc. and Paul Henley, are jointly and severally liable and shall pay to the Claimant Norman G. Brown, interest at the rate of 4% per annum from April 26, 1988 to date of payment of the award.
3. All other relief requests are denied.

4. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Norman G. Brown, shall be retained by the NASD, Inc. Respondents Dean Witter Reynolds, Inc. and Paul Henley, are jointly and severally liable and shall pay to the Claimant Norman G. Brown, \$125.00 as reimbursement of the filing fee.

AFFIRMATION

I, DOUGLAS E. SMITH, 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.

A handwritten signature in cursive script, reading "Douglas E. Smith", is written over a horizontal line.

Douglas E. Smith

DATE OF DECISION: September 29, 1995