

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Leo Greisdoff, Cynthia E. et al.

94-02129

Name of Respondent(s)

Dean Witter Reynolds Inc.  
W. Rodney Thomas

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 7, 1994, Claimants Leo, Cynthia and Rubin Greisdoff ("Claimants"), who appeared Pro Se, alleged that Respondents Dean Witter Reynolds, Inc. ("DWR") and W. Rodney Thomas ("Thomas") omitted material information in a sale of bonds. Claimants further alleged that on July 19, 1993 they purchased \$10,000.00 of Montgomery Housing Municipal Bonds from DWR, through its agent Thomas. Claimants contended that they were charged a \$500.00 premium, and were told that the bonds would mature on July 1, 2000 but could be called on July 1, 1997. Claimants further contended that on January 3, 1994, the bonds were called and they received \$10,000 back. Claimants alleged that Respondents should be held liable for the lost premium.

Respondents Dean Witter Reynolds, Inc. and W. Rodney Thomas, through their representative, Edward W. Larkin, Esq., in-house counsel for Dean Witter Reynolds, Inc., maintained that Thomas fully apprised Claimants of the advantages and disadvantages of buying premium bonds because of the special call feature, Legend Z, that accompanies most housing bonds, and enables the bond to be called at any time prior to its date of maturity. Respondents further maintained that this is clearly explained on the back of the confirmation so that its clients are made well aware of the unique characteristics of this security. Respondents contended that Claimants do not dispute receiving this confirmation, and Respondents should not be held liable for their loss.

**RELIEF REQUESTED**

Claimants, Leo, Cynthia E. and Robin Greisdoff, requested \$500.00 in actual damages.

Respondents, Dean Witter Reynolds, Inc. and W. Rodney Thomas, requested that the claims of the Claimants be dismissed.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Peter J. Dale, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Leo and Cynthia Greisdoff on May 23, 1994. No submission agreement from Robin Greisdoff and by the Respondents on

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 W. Rodney Thomas are jointly and severally liable and shall pay to Claimants Leo, Cynthia E. and Robin Greisdoff \$500.00 in actual damages.
2. The parties shall bear their respective costs.
3. The \$30.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Leo, Cynthia E. and Robin Greisdoff, shall be retained by the NASD, Inc.

**AFFIRMATION**

I, PETER W. DALE, ESQ., 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.

  
Peter J. Dale, Esq.

DATE OF DECISION:

May 30, 1995