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**BEFORE THE ARBITRATION BOARD
OF THE
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

TONY LOUKA AND BRENDA EVANS-LOUKA,)	NASD CASE NO. 94-02243
)	
Claimants,)	AWARD
)	
vs.)	
)	
DEAN WITTER REYNOLDS INC. AND)	
RICHARD NELSON,)	
)	
Respondents.)	
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DEAN WITTER REYNOLDS INC.,)	
)	
Counter-claimant,)	
)	
vs.)	
TONY LOUKA AND BRENDA EVANS-LOUKA,)	
)	
Counter-respondents.)	
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REPRESENTATION

For Claimants and Counter-respondents:	Jeffrey D. Schreiber, Esq.
For Respondents and Counter-claimant:	Michael J. Abbott, Esq. Michael A. Amiri, Esq.

CASE INFORMATION

Statement of Claim filed: June 8, 1994 (dated)

Claimants' Submission Agreement signed: June 8, 1994 (notarized)

Statement of Answer filed by Respondent: September 20, 1994 (signed)

Respondents' Submission Agreement signed: September 20, 1994 (notarized)

Statement of Counter-claim filed: September 20, 1994 (proof of service)

Statement of Answer to Counter-claim filed
by Counter Respondents: October 26, 1994 (signed)

HEARING INFORMATION

Pre-Hearing Conference Date/Session: August 9, 1995

Hearing Dates(s)/Session(s): February 27, 28, 29, 1996; March 1, 28, 1996; April 1, 2, 23, 24, 1996; May 18, 21, 1996: [22 sessions]

Hearing Location: INTER-CONTINENTAL HOTEL, 251 South Olive Street, Los Angeles, California 90012

CASE SUMMARY

The claimants brought this action for rescission of contract, losses alleged due to respondents failure to meet their obligations pursuant to NASD Article III, Section 2 of the Rules of Fair Practice to know their customers and under New York Stock Exchange Rule 405 to use due diligence; failure by Dean Witter Reynolds, Inc., to supervise respondent Richard Nelson; unsuitability of investments pursuant to Rule 405; failure by respondents to acknowledge and comply with instructions given by Brenda

Evans-Louka; and failure to execute instructions by Tony Louka. Underlying the claims of the claimants was the medical condition of bi-polar manic depression suffered by claimant Tony Louka during all relevant times.

The counter-claimant, Dean Witter Reynolds, Inc., sought money owed as a result of a debit balance in counter-respondents' margin account. Respondent, Richard Nelson and respondent and counter-claimant Dean Witter Reynolds, Inc., denied all of claimants' allegations.

RELIEF REQUESTED

1. Claimants: (a) the amount of \$106,037.50 on their first claim; (b) \$184,914.06 on their second through fifth claims; costs incurred, attorneys' fees and interest. Further, as to the counter-claim by Dean Witter Reynolds, Inc., the claimants and counter-respondents sought (a) dismissal of the counter-claim with prejudice; (b) that counter-claimant take nothing thereby; and (c) attorneys' fees and costs incurred defending the counter-claim.

2. Counter-claimant: (a) that claimants take nothing by reason of their Statement of Claim; (b) the sum of \$54,912.46 plus interest at 10% from April 13, 1994 on its counter-claim; and (c) attorneys' fees and costs in the sum of \$89,192.82.

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 original remains on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claims of TONY LOUKA and BRENDA EVANS-LOUKA against DEAN WITTER REYNOLDS INC., and RICHARD NELSON, having been duly presented and heard; the arbitrators having received and reviewed all oral and documentary evidence presented by the parties; and further, the arbitrators having duly deliberated, HEREBY DENY all claims in claimants' STATEMENT OF CLAIM, including any and all claims submitted during the arbitration hearing.
2. The counter-claim of DEAN WITTER REYNOLDS INC., against TONY LOUKA and BRENDA EVANS-LOUKA, having been duly presented and heard; the arbitrators having received and reviewed all oral and documentary evidence presented by the parties; and further, the arbitrators having duly deliberated, HEREBY AWARD to counter-claimant and against counter-respondents, jointly and severally, the sum of Fifty-Four Thousand, Nine Hundred Twelve Dollars and Forty Six Cents, \$54,912.46.
3. The award shall bear interest at the legal rate of ten percent (10%) per annum from April 13, 1994.

4. Counter-claimant, DEAN WITTER REYNOLDS, INC., is further awarded as and for attorneys' fees and costs, the sum of Eighty Nine Thousand One Hundred Ninety Two Dollars and Eight Two Cents, \$89,192.82 pursuant to the margin agreement contract.

5. This award shall become final ten (10) days after service by mail on the parties, unless a party requests, in writing to NASD, a hearing regarding only the issue of the award of attorneys' fees and costs to counter-claimant. In the event that a hearing is requested by a party, the Chairman shall set the date and time of the hearing and establish a schedule for the parties to brief issues to be presented at the hearing.

FORUM FEES

Pursuant to Section 43(c) of the *Code of Arbitration Procedure*, the following forum fees are assessed:

One Pre-hearing Conference @ \$300.00/Session	=	\$ 300.00
<u>Twenty-two Hearing Sessions @ 1,000.00/Session</u>	=	<u>22,000.00</u>
Total Forum Fees Assessed	=	\$22,300.00

TONY LOUKA and BRENDA EVANS-LOUKA shall be jointly and severally responsible for one-half of all forum fees incurred:

Claimants' One-Half Share	=	\$11,150.00
<u>Credit for Hearing Session deposit</u>	=	<u>1,000.00</u>
Claimants' Balance Due	=	\$10,150.00

DEAN WITTER REYNOLDS, INC., shall be responsible for one-half of all
forum fees incurred:

Respondent Dean Witter Reynolds, Inc.'s One-Half Share

= \$11,150.00

Credit for Hearing Session Deposit

= 600.00

Respondent Dean Witter Reynolds, Inc.'s Balance Due

= \$10,550.00

RICHARD NELSON shall not be responsible for any forum fees incurred.

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

ARBITRATORS

Douglas Stenzel, Esq., Chairman

Public

Elwood A. Crandal, Esq.

Industry

John L. Dampman

Public

Concurring Arbitrators' Signatures



Date of Decision:

DEAN WITTER REYNOLDS, INC., shall be responsible for one-half of all
forum fees incurred:

Respondent Dean Witter Reynolds, Inc.'s One-Half Share

= \$11,150.00

Credit for Hearing Session Deposit

= 600.00

Respondent Dean Witter Reynolds, Inc.'s Balance Due

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ARBITRATORS

Douglas Stenzel, Esq., Chairman

Public

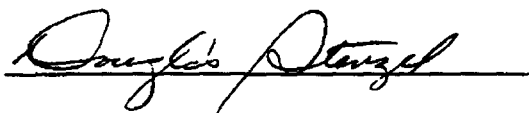
Elwood A. Crandal, Esq.

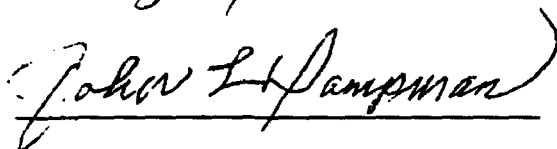
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Douglas Stenzel, Esq., Chairman

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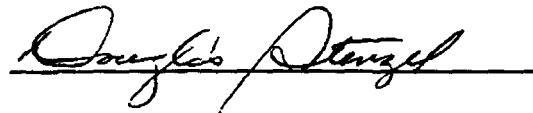
Elwood A. Crandal, Esq.

Industry

John L. Dampman

Public

Concurring Arbitrators' Signatures





Date of Decision:

Date of Service: July 5, 1996