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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Bruce Michael Isaef. IRA

95-04934

Name of Respondents

Dean Witter Reynolds Inc.
Stacy Cohn

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 18, 1995, Claimant Bruce Michael Isaef, IRA ("Claimant"), who appeared Pro Se, alleged that Respondent Dean Witter Reynolds Inc. ("DWR"), through its broker, Respondent Stacy Cohn ("Cohn"), made unauthorized trades in his account. Claimant further alleged that on July 14, 1993, he opened an IRA Rollover Account with Cohn of DWR, and that this was the first brokerage account he had ever held. Claimant contended that on July 26, 1993, he deposited the initial rollover check of \$39,943.80 and on August 25, 1993, he deposited the last of the 401(k) rollover contribution of \$914.03. Claimant further contended that on August 26, 1993, he spoke with Cohn and agreed to purchase \$5,000.00 worth of Dean Witter Dividend Growth, \$5,000.00 worth of Dean Witter Value Added Equity, and \$5,000.00 worth of Dean Witter Global Dividend Growth. Claimant alleged that on November 10, 1993, he received confirmation for \$5,000.00 worth of Dean Witter Pacific Growth Fund ("TIGER") with a trade date of November 8, 1993, and having no prior investment experience, he did not think this was suspicious. Claimant further alleged that he subsequently received confirmations for \$5,000.00 worth of Dean Witter Latin American Growth Fund ("TLATN"), 200 shares of U.S. Electric Car ("ECAR"), and another \$3,000.00 worth of TLATN. Claimant contended that during this time, the value of his IRA account declined, and that when he called Cohn to question her about the account and whether she had made unauthorized transactions, she became defensive. Claimant further contended that he spoke to Mr. Stempel, a branch manager, who offered to make him "whole" on one of the unauthorized trades, but that he found this unacceptable. Claimant alleged that he never approved having Cohn invest his IRA without prior authorization, and that he never approved additional investments except for the first three trades dated August 26, 1993, and therefore the Respondents should be held liable.

Respondents Dean Witter Reynolds Inc. and Stacy Cohn, through its representative and in-house counsel, Richard A. Rogoff, Esq., maintained that Claimant made thoughtful, informed decisions to purchase TLATN, TIGER and ECAR. Respondents further maintained that Claimant was at all times apprised of the benefits, risks and fees associated with his investments, and that Claimant received copies of TIGER and TLATN prospectuses prior to his decision to purchase these investments, and with his confirmation slips. Respondents contended that, in connection with Claimant's purchase of ECAR, Cohn provided Claimant with information, reports and press releases. Respondents further contended that every month

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nine months, Claimant received two sets of account statements reflecting his holdings, account valuation and monthly dividend income, and that he never questioned or demanded rescission of the alleged unauthorized transactions for as long as their value appreciated. Respondents maintained that because Claimant failed to complain of unauthorized trading until one and one-half years after the TLATN and TIGER purchases, and ten months after the ECAR, he has ratified these trades and therefore, the Respondents should not be held liable.

RELIEF REQUESTED

Claimant Bruce Michael Isaeff, IRA, requested the rescission of all trades since August 19, 1993, plus a 10 % annual return to date.

Respondents Dean Witter Reynolds Inc. and Stacy Cohn, requested that the claims of the Claimant Bruce Michael Isaeff, IRA, be dismissed.

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Mario Henry Barsotti, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Bruce Michael Isaeff, IRA, on September 7, 1995, and by the Respondents Dean Witter Reynolds Inc. on January 9, 1996, and Stacy Cohn on December 7, 1995.

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. The claims of the Claimant Bruce Michael Isaeff, IRA against Respondents Dean Witter Reynolds Inc. and Stacy Cohn are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

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AFFIRMATION

STATE OF

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COUNTY OF

I, MARIO H. BARSOITI, 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.

Mario H. Barsoiti

Signature of Arbitrator

DATE OF DECISION: May 31, 1996