

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Norma I. Sanchez c/f Carla Segurola and Normarie Segurola

95-05938

Name of Respondent

Dean Witter Reynolds Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 20, 1995, Claimant Norma Sanchez, who appeared Pro Se, alleged that Respondent Dean Witter Reynolds, Inc. ("Respondent") through its representative, Thomas M. Pentecost ("Pentecost"), recommended that she purchase shares of TCW/DW North American Government Trust ("TNORA"), Dean Witter World Wide Invest. Trust, Dean Witter Dividend Growth and Dean Witter Pacific Growth Fund ("Pacific Growth") which she followed to her detriment. Claimant further alleged that she had approached Pentecost in 1993 expressing an intention to invest money that was earmarked for her daughters', Carla Segurola and Normarie Segurola, college educations. Claimant contended that she told Pentecost to invest the money short term as the funds would be needed to meet expenses within a few years. Claimant contended that she also stated a desire for an investment as secure and conservative as U.S. Bonds because of the purpose for the funds and was informed that the worst she would do with the account was a yield of 5-6%. Claimant further contended that she explained to Pentecost that she could not risk the money as she was a single mother who sacrificed for 13 years to save these funds. Claimant alleged that the investments which Pentecost recommended did not meet her investment criteria and that as a result of the above, she has suffered a loss for which the Respondent should be held liable.

Respondent Dean Witter Reynolds through its representative and in-house counsel, Debra A. Roth, Esq., maintained that Claimant's claims are without merit because not only did she make money in one of her accounts, but she controlled all the trading activity. Respondent further maintained that had Claimant held onto her last investment she would have made money within 90 days from the sale date. Respondent contended that Claimant was never told that she would make no less than 5-6% on the accounts and specifically, she received a prospectus for TNORA which gave no assurances of a return. Respondent further contended that Claimant was a seasoned investor who had made a profitable purchase of the Pacific Growth fund for her own account eight months prior to placing it in her daughters account. Respondent maintained that due to Claimant's extensive investing in mutual funds she was well aware of the risks associated with such investments. Respondent further maintained that Claimant became dissatisfied with her accounts after the market prices were depressed; a price which it did not control. Respondent contended that Claimant made purchases based on her own experience with mutual funds and that as a result of the above, it should not be held liable.

RELIEF REQUESTED

Claimant Norma Sanchez requested \$4,933.05 in actual damages.

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

AWARD

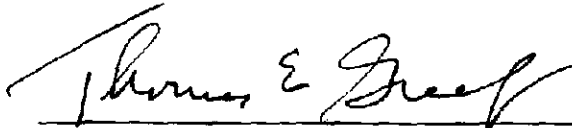
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Thomas E. Greef, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 4, 1996, and by the Respondent on February 26, 1996.

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 Respondent Dean Witter Reynolds, Inc. is liable and shall pay to the Claimant Norma Sanchez \$4,900.00 in actual damages.
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. The Respondent Dean Witter Reynolds, Inc. is liable and shall pay to the Claimant Norma Sanchez \$150.00 as reimbursement of the filing fee.
4. All other relief requests are denied.

AFFIRMATION

I, **THOMAS E. GREEF**, 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.



Thomas E. Greef

DATE OF DECISION: May 14, 1996