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NASDR AWARD

NASDR, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Charles B. Torrence

NASDR Arbitration
#96-00160

vs.

Name of Respondent(s)

Dean Witter Reynolds, Inc.
John A. DiFiore, II

REPRESENTATION

For Claimant: Lynn R. Shoen, Esq., Las Vegas, Nevada

For Respondent Dean Witter Reynolds: Timm A. VerDuin, Esq., Dean Witter Reynolds, Inc.,
San Francisco, California

For Respondent John DiFiore, II: Victor Alan Perry, Esq., Perry & Spann, PC, Las Vegas,
Nevada

CASE INFORMATION

Statement of Claim filed: January 11, 1996

Claimant's Submission Agreement signed: January 8, 1996

Statement of Answer filed by Dean Witter Reynolds: February 28, 1996

Statement of Answer filed by John A. DiFiore, II: June 6, 1996

Respondents' Submission Agreements signed:

Dean Witter Reynolds: February 27, 1996
John A. DiFiore, II: May 31, 1996

HEARING INFORMATION

The evidentiary hearing was held in Las Vegas, Nevada, as follows:

December 12, 1996 - 2 sessions
December 13, 1996 - 2 sessions

CASE SUMMARY

Claimant alleged that while his account was at Dean Witter Reynolds, his broker, Mr. DiFiore, borrowed a total of \$90,000 from him. Claimant alleged that Mr. DiFiore thus violated the Canons of Ethics and breached his fiduciary duties to Claimant. Claimant also alleged breach of contract, based on Mr. DiFiore's execution of a promissory note dated June 7, 1993, in the amount of \$30,000, and the subsequent verbal agreement to repay a \$60,000 loan. Claimant also alleged Dean Witter Reynolds breached its fiduciary duties to him by failing to supervise the broker.

Respondent Dean Witter Reynolds denied wrongdoing and denied it is liable for the actions of Claimant and Mr. DiFiore concerning the loans, stating that these transactions were wholly outside the scope of Mr. DiFiore's employment with Dean Witter Reynolds, the loans were unknown to Dean Witter Reynolds and were in violation of its express policies and that Claimant cooperated with Mr. DiFiore's effort to avoid Dean Witter Reynolds' detection of the loans.

Respondent DiFiore acknowledged the personal loans, and stated that it was never his intention to fail or refuse to repay them. Rather, Mr. DiFiore stated that Claimant made a gift of the \$60,000.

RELIEF REQUESTED

Claimant requested damages of \$90,000 (less a \$400 payment received), plus interest, punitive damages, and attorney's fees.

Respondents each requested dismissal of all claims.

OTHER ISSUES

This case was originally filed in the District Court of Clark County, Nevada, Case No. A 350798, filed September 21, 1995, but was removed to arbitration pursuant to stipulation of the parties and an Order of the Court, signed by Judge Joseph T. Bonaventure, entered November 13, 1995.

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 originals remain on file with the NASDR.

AWARD

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

1. All claims asserted against Respondent Dean Witter Reynolds are dismissed in their entirety.
2. Respondent John A. DiFiore, II, is liable for and shall pay to Claimant compensatory damages as follows:
 - (a) The sum of \$30,000 plus pre-award interest at the rate of 10% per annum from June 7, 1993, to the date of this award;
 - (b) the additional sum of \$59,200 without pre-award interest.
3. All other claims, including the claim for punitive damages, are dismissed.
4. The parties shall each bear their respective costs of arbitration, including attorney's fees.

FORUM FEE

Pursuant to Section 10332 of the Code of Arbitration Procedure, the NASDR shall retain the \$150 non-refundable filing fee paid by Claimant, but shall refund Claimant's \$500 hearing session deposit.

Respondent John A. DiFiore, II, is assessed all forum fees; payable to NASDR, Inc.

Total fees:

4 hearing sessions @ \$500/session

\$2000


ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
James D. Knotter	Public
Les J. Hartley	Public
Harold V. Ballard	Industry

Concurring Arbitrators Signatures

James D. Knotter

Les J. Hartley



Harold V. Ballard

Date of Decision: 1/24/97

Date Served: February 6, 1997

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
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Les J. Hartley	Public
Harold V. Ballard	Industry

Concurring Arbitrators Signatures

James D. Knotter



Les J. Hartley

Harold V. Ballard

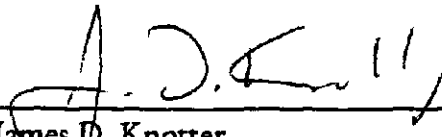
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Harold V. Ballard	Industry

Concurring Arbitrators Signatures



James D. Knotter

Les J. Hartley

Harold V. Ballard

Date of Decision: 1/27/97

Date Served: February 6, 1997