

AWARD**NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.
OFFICE OF DISPUTE RESOLUTION**

In the Matter of the Arbitration Between

Name of Claimant

Dean Witter Reynolds, Inc.

and

Case Number 96-05530

Name of Respondent

Joseph Trent Siff

REPRESENTATION OF PARTIES

Claimant, Dean Witter Reynolds, Inc. was represented by Diane C. Fischer, Esquire of Gomberg Kane & Fischer, Ltd. located in Chicago, Illinois.

Respondent, Joseph Trent Siff did not file an answer nor did he appear at the hearing.

CASE INFORMATION

Claimant, Dean Witter Reynolds, Inc.'s Statement of Claim was filed on or about December 12, 1996.

The Submission Agreement of Claimant, Dean Witter Reynolds, Inc. was signed on December 3, 1996 by Lyndelle T. Phillips, Vice President and Senior Attorney.

HEARING INFORMATION

The hearing was held on August 11, 1997 for one (1) hearing session in Houston, Texas.

CASE SUMMARY

Dean Witter Reynolds, Inc. ("Claimant"), sought to recover monies allegedly due and owing pursuant to a Promissory Note (the "Note") signed for by Joseph Trent Siff ("Respondent") on October 26, 1993. The Respondent was employed as an Account Executive by the Claimant from November 2, 1993 through March 1, 1996 in Houston, Texas. Upon execution of the Note, the Respondent was loaned the sum of \$332,500 by Claimant. By the terms of the Note, Respondent allegedly agreed to repay the \$332,500 in four equal annual payments of \$83,125 on each anniversary date of the Note, plus interest at 7% per annum. The Note provided that on each of the four annual anniversary dates of the Note, Claimant would forgive one fourth of the principal balance due and owing under the Note, plus applicable interest, but only if the Respondent had remained a full-time employee of Claimant. The Note further provided that if Respondent's employment was terminated for any reason, the unpaid balance of the Note would become due and payable. According to Claimant, since Respondent's employment was terminated on March 1, 1996, the amount of \$166,250 representing the remaining principal balance along with the amount of \$3,857.48 in interest became immediately due and owing. Despite written demands made on August 12, 1996 and September 25, 1996, the Respondent failed and refused to honor Claimant's demand for repayment of amounts owed under the Note.

RELIEF REQUESTED

Claimant, Dean Witter Reynolds, Inc., requested an award for the principal balance owed on the Promissory Note dated October 26, 1993 in the amount of \$166,250; interest accrued on the Note at the contract rate of 7% from November 2, 1995 through March 1, 1996 in the amount of \$3,857.48; interest accrued at a rate of 7% a day on the balance beginning on March 2, 1996 to August 11, 1997 in the amount of \$16,832.64; additional accruing interest at the rate of \$31.88 per day, \$32,351.53 in federal and state taxes; attorneys' fees in the amount of \$4,662; and costs in the amount of 1,837.26.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the panel has determined that Respondent, Joseph Trent Siff, had been properly served with the Statement of Claim pursuant to §10302 and §10314 of the NASD Code of Arbitration Procedure (the "Code"). The panel also determined that Respondent, Joseph Trent Siff, had received due notice of the hearing as required under §10315 of the Code and that arbitration of the matter would proceed pursuant to §10318 of the Code.

Respondent, Joseph Trent Siff, did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to §10201 of the NASD Code of Arbitration Procedure (the "Code") and having been properly served is bound by the determination of the arbitration panel on all issues submitted.

On or about March 5, 1997, Claimant, Dean Witter Reynolds, Inc., moved to preclude the Respondent from presenting any defenses in accordance with §10314 of the Code. The undersigned arbitrators decided to grant the motion on July 9, 1997.

The party present at the hearing agreed that the Award in this matter may be executed in counterpart copies and agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Regulation, Inc. Office of Dispute Resolution.

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. Respondent, Joseph Trent Siff, is liable for and shall pay to Claimant, Dean Witter Reynolds, Inc., the total amount of \$225,790.91 in damages. The total amount of \$225,790.91 is the sum of the following amounts: \$166,250 for the balance due on the Promissory Note; \$20,690.12 in interest; \$32,351.53 for state and federal taxes; \$4,662 in attorneys' fees; and \$1,837.26 in costs. In deciding to award interest and attorneys' fees, the arbitrators considered the provisions contained in the Promissory Note as well as the pleading, the testimony and the evidence presented by the parties.
2. Other than forum fees which are specifically addressed below, all other requests for relief not specifically granted are thereby denied and dismissed with prejudice.

FORUM FEES

Forum fees are calculated at the rate of \$750 per hearing session and \$300 for each pre-hearing conference, if any. There was one (1) hearing session x \$750 = \$750 in forum fees. Pursuant to §10205(b) of the Code of Arbitration Procedure (the "Code"), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

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Pursuant to §10205(c) of the Code, the National Association of Securities Dealers Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee in the amount of \$500, the \$350 surcharge imposed pursuant to §10333 and shall retain as forum fees the hearing session deposit in the amount of \$750 previously deposited with the NASD Regulation, Inc. Office of Dispute Resolution by Claimant, Dean Witter Reynolds, Inc.

Arbitrators Signatures:

Stuart Hellman
Stuart Hellman
Chairman
Industry Arbitrator

August 18, 1997
Dated

Thomas H. Vann
Thomas H. Vann
Panelist
Industry Arbitrator

August 18, 1997
Dated

Jeffrey M. Aboloff
Jeffrey M. Aboloff
Panelist
Industry Arbitrator

August 20, 1997

For NASD use only:
Date served: August 26, 1997