

AWARD

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant:

Norman F. Busse

and

98-00322

Name of Respondent

Dreyfus Investment Services

REPRESENTATION OF PARTIES

Norman F. Busse ("**Claimant**") appeared on his own behalf.

Dreyfus Investment Services ("**Respondent**") was represented by Jerry Coughlin of Dreyfus Investment Services Corporation, Pittsburgh, Pennsylvania.

CASE INFORMATION

Claimant filed the Statement of Claim on or about January 20, 1998, and signed the Submission Agreement on January 23, 1998.

Respondent filed the Statement of Answer on or about April 21, 1998, and signed the Submission Agreement on April 22, 1998.

HEARING INFORMATION

The Arbitration Panel held a hearing on December 9, 1998 in Scottsdale, Arizona for a total of one (1) session.

CASE SUMMARY

Claimant alleged that Respondent did not satisfy the basic minimum requirements of the law in providing fiduciary responsibility in protecting the assets of its investor. Claimant further alleged that owners of IRA accounts are prohibited by law from holding IRA assets in their own name and therefore must rely on the investment firm for advice and information. Claimant also alleged that Respondent had never sent him any kind of notice regarding the Terra Nitrogen ("TNH") IRA election Claimant needed to make, and that Respondent told him the election did not apply to Claimant since he already owned common stock in TNH.

Respondent denied the allegations set forth in the Statement of Claim. Respondent stated that it had contracted with ADP Corp. to handle all corporate communications, including

beneficial share owners recorded on Respondent's books. Respondent also asserted that Claimant should have received a TNH news release dated January 1997 and an Annual Report mailed to him on March 19, 1997. The materials submitted to Claimant allegedly explained the conversion plan. Respondent also asserted that: Claimant's failure to contact Respondent and to provide instructions to convert his position has contributed to his financial loss; Claimant's statement that he had contacted Frank Brescia is incorrect because Mr. Brescia had been seriously ill and out of work from November 1996 to March 1, 1997; Claimant did not contact Respondent, and was not given incorrect information at any time by an employee of Respondent; and that the transaction was a voluntary conversion requiring specific instructions from the client to affect the conversion, which respondent did not receive.

RELIEF REQUESTED

Claimant requested an award in the amount of the following: The loss from the value of the stock of \$11,974.37; and punitive damages of \$25,000.

Respondent denied the claims asserted against it.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in 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(s) remain on file with 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:

Respondent is liable for and shall pay to the Claimant the following Award: Compensatory damages in the amount of \$11,967.00; and interest thereon at the rate of 6% from January 20, 1997, until paid.

All other claims/requests for relief not specified herein are, and each of them, denied with prejudice.

OTHER COSTS

Each party shall bear its own costs and expenses associated with this arbitration.

Forum fees shall be divided evenly between the parties.

FORUM FEES

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each prehearing conference, if any. There was one (1) session x \$400 = \$400 in forum fees. Pursuant to Rule 10332(b) of the NASD 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.

Pursuant to Rule 10332(c) of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee in the amount of \$120 and shall retain as forum fees the one-half of the \$400 hearing session deposit or \$200 previously deposited with NASD Regulation, Inc. by the Claimant. The remaining \$200 shall be refunded to the Claimant.

Additional forum fees in the amount of \$200 are assessed by the arbitrators against the Respondent.

OTHER COSTS

Pursuant to Rule 10333 of the Code, Respondent has paid to NASD Regulation, Inc. the \$800.00 member surcharge previously invoiced.

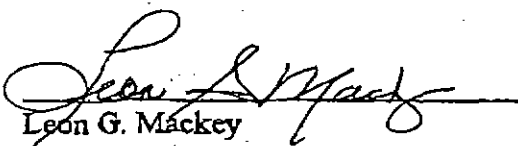
Pursuant to Rule 10333 of the Code, Respondent has paid to NASD Regulation, Inc. the \$1,600.00 member processing fees previously invoiced.

Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.

Dated:

Michael W. Sillyman
Public Arbitrator, Presiding Chair

Steven M. Vakula
Public Arbitrator


Leon G. Mackey
Industry Arbitrator

January 12, 1999

NASD Regulation, Inc. Office of Dispute Resolution
Arbitration No. 98-00322
Award Page 3 of 3

FORUM FEES

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each prehearing conference, if any. There was one (1) session x \$400 = \$400 in forum fees. Pursuant to Rule 10332(b) of the NASD 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.

Pursuant to Rule 10332(c) of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee in the amount of \$120 and shall retain as forum fees the one-half of the \$400 hearing session deposit or \$200 previously deposited with NASD Regulation, Inc. by the Claimant. The remaining \$200 shall be refunded to the Claimant.

Additional forum fees in the amount of \$200 are assessed by the arbitrators against the Respondent.

OTHER COSTS

Pursuant to Rule 10333 of the Code, Respondent has paid to NASD Regulation, Inc. the \$800.00 member surcharge previously invoiced.

Pursuant to Rule 10333 of the Code, Respondent has paid to NASD Regulation, Inc. the \$1,600.00 member processing fees previously invoiced.

Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.

Dated:

Michael W. Sillyman
Public Arbitrator, Presiding Chair

Steven M. Vakula
Public Arbitrator

Leon G. Mackey
Industry Arbitrator

1/13/99

NASD Regulation, Inc. Office of Dispute Resolution
Arbitration No. 98-00322
Award Page 3 of 3

FORUM FEES

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each prehearing conference, if any. There was one (1) session x \$400 = \$400 in forum fees. Pursuant to Rule 10332(b) of the NASD 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.

Pursuant to Rule 10332(c) of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee in the amount of \$120 and shall retain as forum fees the one-half of the \$400 hearing session deposit or \$200 previously deposited with NASD Regulation, Inc. by the Claimant. The remaining \$200 shall be refunded to the Claimant.

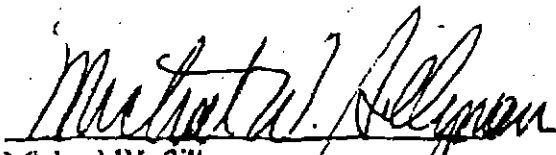
Additional forum fees in the amount of \$200 are assessed by the arbitrators against the Respondent.

OTHER COSTS

Pursuant to Rule 10333 of the Code, Respondent has paid to NASD Regulation, Inc. the \$800.00 member surcharge previously invoiced.

Pursuant to Rule 10333 of the Code, Respondent has paid to NASD Regulation, Inc. the \$1,600.00 member processing fees previously invoiced.

Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.


Michael W. Sillyman
Public Arbitrator, Presiding Chair

Dated:

1/12/99

Steven M. Vakula
Public Arbitrator

Leon G. Mackey
Industry Arbitrator