

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Dean Witter Reynolds, Inc., Claimant v. Debra Stowers, Respondent and related Counter-Claim

Debra Stowers, Third-Party Claimant v. Thomas G. Taliaferro, Third-Party Respondent

Case Number: 98-03862

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant Dean Witter Reynolds, Inc. and
Third-Party Respondent Thomas G. Taliaferro:

Robert S. Shwartz, Esq.
Karin Graver, Esq.
Orrick, Herrington & Sutcliffe, LLP
Los Angeles, California

For Respondent/Counter-Claimant/Third-Party
Claimant Debra Stowers:

James E. Herman, Esq.
Reicker, Clough, Pfau, Pyle, McRoy
& Herman, LLP
Santa Barbara, California

CASE INFORMATION

Statement of Claim filed: September 25, 1998

Claimant's Uniform Submission Agreement signed: October 2, 1998

Statement of Answer filed by Respondent October 13, 1999

Respondent's Uniform Submission Agreement signed: October 5, 1999

Respondent's Counter-Claim for Damages filed: October 13, 1999

Claimant/Counter-Respondent Dean Witter Reynolds, Inc. and Third-Party Respondent Thomas G. Taliaferro's Statement of Answer to Respondent/Cross-Claimant Debra Stower's Counter-Claim/Third Party Claim filed: November 29, 1999

Third-Party Respondent Thomas G. Taliaferro's Uniform Submission Agreement signed:
November 26, 1999

CASE SUMMARY

Claimant alleged breach of contract and failure to repay a promissory note.

Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

In her Counter-Claim/Third-Party Claim, Respondent alleged violation of the California Labor Code, fraud, breach of employment contract, and breach of implied covenant of good faith and fair dealing.

Claimant/Counter-Respondent Dean Witter Reynolds, Inc. and Third-Party Respondent Thomas G. Taliaferro denied the allegations of wrongdoing set forth in Respondent's Cross-Claim.

RELIEF REQUESTED

Claimant requested \$71,906.25, in compensatory damages. Claimant also requested attorney's fees, and interest.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety.

In her Counter-Claim/Third-Party Claim, Respondent Debra Stowers requested \$200,000.00 in compensatory damages, double damages per California Labor Code § 972, punitive damages, interest, and costs.

Claimant/Counter-Respondent Dean Witter Reynolds, Inc. and Third-Party Respondent Thomas G. Taliaferro requested dismissal of Respondent's Counter-Claim/Third-Party Claim.

OTHER ISSUES CONSIDERED AND 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.

AWARD

After considering the pleadings, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Debra Stowers is liable to and shall pay Claimant Dean Witter Reynolds, Inc. the sum of \$71,906.25 in compensatory damages.
- 2) Interest on the amount awarded shall accrue at the rate of 6% per annum from the date of service of the award until paid.
- 3) All claims in Respondent Debra Stowers' Counter-Claim/Third-Party Claim are denied.
- 4) Each party shall bear its own costs, including attorney's fees.
- 5) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 500.00
Respondent Debra Stowers' Counter-Claim/Third-Party Claim Filing Fee	= \$ 500.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the event of the dispute. Accordingly, the member firm Dean Witter Reynolds, Inc., is a party and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 2,500.00
Total Member Fees	= \$ 4,100.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Panel. The following fees are assessed:

Three Pre-hearing conference sessions with the Panel @ \$750.00/session = \$ 2,250.00

Pre-hearing conference(s):	January 13, 2000	1 session
	February 22, 2000	1 session
	June 16, 2000	1 session

Ten Hearing sessions @ \$750.00/session = \$ 7,500.00

Hearings:	July 24, 2000	2 sessions
	July 25, 2000	2 sessions
	July 26, 2000	2 sessions
	July 27, 2000	2 sessions
	July 28, 2000	2 sessions

Total Forum Fees = \$ 9,750.00

The Arbitration Panel assessed \$9,750.00 of the forum fees to Claimant Dean Witter Reynolds, Inc.

Fee Summary

1. Claimant Dean Witter Reynolds, Inc. is charged with the following fees and costs:

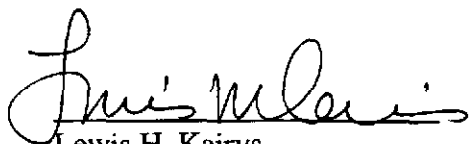
Initial Filing Fee	= \$ 500.00
Member Fees	= \$ 4,100.00
<u>Forum Fees</u>	= \$ 9,750.00
Total Fees	= \$14,350.00
<u>Less payments</u>	= \$(4,200.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 10,150.00

2. Respondent Debra Stowers is charged with the following fees and costs:

Counter-Claim and Third-Party Claim Filing Fee	= \$ 500.00
<u>Less payments</u>	= \$(1,425.00)
Refund Due Respondent Debra Stowers	= \$(925.00)

All balances are payable to NASD Dispute Resolution, Inc. and are due within 30 days of the Award's date of service.

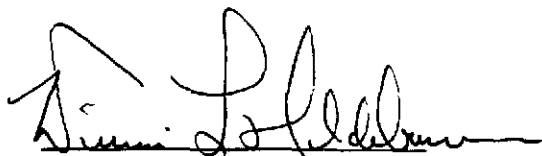
Concurring Arbitrators' Signatures



Lewis H. Kairys
Chair, Non-Public Arbitrator

7/28/00

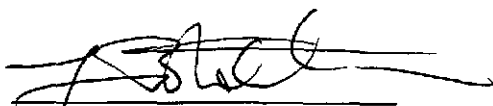
Signature Date



William L. Hildeburn
Non-Public Arbitrator

7/28/00

Signature Date



Leo B. Rotter
Non-Public Arbitrator

7/28/00

Signature Date

8/2/00

Date of Service