

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Marie Ann Elliott individually and as Trustee of the
Marie Ann Elliott Charitable Remainder Unitrust

Case No. 99-00834

Names of Respondents

Dean Witter Reynolds, Inc.
Hill, Crawford & Lanford, Inc.
Sterne, Agee & Leach, Inc.
Darin Bryant Shea
Robert Louis Lanford

REPRESENTATION OF PARTIES

For Marie Ann Elliott individually and as Trustee of the Marie Ann Elliott Charitable Remainder Unitrust, hereinafter referred to as "Claimant": William S. Shepherd, Esq. of William S. Shepherd & Associates, P.C., Houston, Texas.

For Dean Witter Reynolds, Inc. ("Dean Witter") and Darin Bryant Shea ("Shea"): Anne Cooney, Vice President, Morgan Stanley Dean Witter, San Francisco, California.

For Hill, Crawford & Lanford, Inc. ("Hill Crawford"), Sterne, Agee & Leach, Inc. ("Sterne Agee") and Robert Louis Lanford ("Lanford"): G. Wayne Hillis, Esq. of Parker, Hudson, Rainer and Dobbs, LLP, Atlanta, Georgia.

CASE INFORMATION

Statement of Claim filed on or about: February 4, 1999.

Claimant signed the Uniform Submission Agreement on: March 29, 1999.

Joint Statement of Answer filed by Respondent Dean Witter and Shea on or about: July 23, 1999.

Respondent Dean Witter's Uniform Submission Agreement signed on: August 4, 1999 by Anne Cooney, Vice President, on behalf of the firm.

Joint Statement of Answer of Hill Crawford, Stern Agee and Lanford filed on or about: June 25, 1999.

Respondent Stern Agee's Uniform Submission Agreement signed on: June 28, 1999 by F. Eugene Woodham, Chief Financial Officer, on behalf of the firm.

Respondents Hill Crawford, Shea and Lanford did not file with NASD Regulation Inc. properly executed Uniform Submission Agreements.

CASE SUMMARY

Claimant alleged the following: Claimant is in her mid-50's and has only a high school degree. When Claimant's husband divorced her in 1995, she had no job, no formal education and no work or investment experience. As a result of the divorce, Claimant received over one million dollars worth of stock with a zero tax basis. Respondents then established a charitable trust, gave away half of Claimant's net worth and left the remainder in a highly-margined account invested in one volatile stock. The stock dropped in value and Claimant's account was liquidated, leaving Claimant with only modest income from the trust, no assets, no home, no estate for her five children, and no access to funds in case of emergencies.

Respondents Dean Witter and Shea denied all allegations of wrongdoing contained in the Statement of Claim and alleged the following: Claimant independently made decisions with regard to the stock at issue. Claimant sought the advice of attorneys and accountants prior to deciding to fund the Charitable Trust which Claimant alleged was unsuitable for her. In addition, Respondents asserted various affirmative defenses, including the following: Claimant ratified the transactions about which she complained; Claimant's federal securities act claims were barred by the applicable statutes of limitation; and, Claimant, by retaining an attorney in 1997, waived any right to assert additional claims after that date.

Respondents Stern Agee, Hill Crawford and Lanford denied all allegations of wrongdoing contained in the Statement of Claim and asserted the following affirmative defenses: Claimant failed to mitigate her alleged damages; Claimant ratified the transactions in her account; Claimant's claims are barred by waiver; Claimant's claims are barred by estoppel; and, Claimant failed to exercise due diligence and ordinary care with regard to the circumstances surrounding her account.

RELIEF REQUESTED

Claimant requested that an award be entered ordering Respondents to pay, jointly and severally, to Claimant an amount of between \$500,000.00 and \$5,000,000.00, including all direct and/or consequential damages and statutory and/or punitive damages, plus interest and costs.

Respondents Dean Witter and Shea requested that the Statement of Claim be dismissed in its entirety.

Respondents Hill Crawford, Stern Agee and Lanford requested that the Statement of Claim against them be dismissed and that attorneys' fees, arbitration related expenses and any other general and equitable relief to which Respondents may be entitled be awarded to them.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Hill Crawford, Shea and Lanford did not file with the NASD Regulation, Inc. Office of Dispute Resolution properly executed submissions to arbitration but are required to

submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim and Respondent Shea, having appeared and testified at the hearing, are bound by the determination of the arbitration panel on all issues submitted.

On or about January 10, 2000, Respondents Hill Crawford, Stern Agee and Lanford filed a Motion to Dismiss. Claimant filed a response on or about January 25, 2000. On February 17, 2000, the arbitration panel issued an order which granted the Motion to Dismiss.

During the evidentiary hearing on March 14, 2000, at the conclusion of Claimant's case, Respondents Dean Witter and Shea made a motion for a directed verdict which was granted by the arbitration panel.

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, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim is denied in its entirety.
2. Claimant's requests for direct and/or consequential damages, statutory and/or punitive damages, interest and costs are denied.
3. Any and all requests for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee: = \$250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the events giving rise to the dispute. In this matter, the member firms Dean Witter and Stern Agee are parties.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Four (4) Pre-hearing sessions with the Panel x \$1,000.00 = \$4,000.00

Pre-hearing conference dates:	October 6, 1999	1 session
	October 18, 1999	1 session
	February 16, 2000	1 session
	February 22, 2000	1 session

Four (4) Hearing sessions x \$1,000.00 = \$4,000.00

Hearing dates:	March 13, 2000	2 sessions
	March 14, 2000	2 sessions

Total Forum Fees = \$8,000.00

The Panel has assessed \$4,000.00 of the forum fees to Claimant.

The Panel has assessed \$4,000.00 of the forum fees to Respondent Dean Witter.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 250.00
Forum Fees	= \$4,000.00
Total Fees	= \$4,250.00
Less payments	= \$1,250.00
Balance Due NASD Regulation, Inc.	= \$3,000.00

Respondent Dean Witter be and hereby is solely liable for:

Member Fees	= \$ 7,600.00
Forum Fees	= \$ 4,000.00
Total Fees	= \$11,600.00
Less payments	= \$ 7,600.00
Balance Due NASD Regulation, Inc.	= \$ 4,000.00

Respondent Stern Agee be and hereby is solely liable for:

Member Fees	= \$7,600.00
Total Fees	= \$7,600.00
Less payments	= \$7,600.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

_____/s/_____
Robert T. Allen, Jr.
Public Arbitrator, Presiding Chairperson

Signature Date

_____/s/_____
George T. Lewis, III, Esq.
Public Arbitrator

Signature Date

_____/s/_____
John Paul Lusk
Industry Arbitrator

Signature Date

June 9, 2000
Date of Service (For NASD office use only)

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures



Robert T. Allen, Jr.
Public Arbitrator Presiding Chairperson



Signature Date

George T. Lewis, III, Esq.
Public Arbitrator

Signature Date

John Paul Lusk
Industry Arbitrator

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Robert T. Allen, Jr.
Public Arbitrator Presiding Chairperson

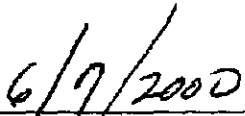
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Public Arbitrator

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