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MSRB

In the Matter of the Arbitration between

Claimants,

v.

DEAN WITTER REYNOLDS, INC.,

Respondent.

AWARD
MS 91-85

The Undersigned, pursuant to Section 31 of MSRB G-25, hereby states as follows:

CASE SUMMARY/RELIEF REQUESTED

Claimants allege, among other things, that Respondent breached its contract with Claimants when Respondent failed to deliver \$150,000 face amount of WASHINGTON PUBLIC POWER SUPPLY SYSTEM, UNIT THREE, ZERO CPN, 7.5% YIELD TO MATURITY, DUE 7/1/01 (the "Bonds"). Claimants allege that on 6/5/90 Respondent described to Claimants several offerings of the aforementioned bond having different maturities, some coupons others zeroes. Claimants allege that later that day Claimants placed an order for 150 of the Bonds. Claimants allege that shortly thereafter Respondent confirmed the order and stated that the settlement date was 6/21/90 and that by settlement date and the amount due Respondent was \$66,598.50. Claimants allege that on or about 6/21/90 Claimants contacted Respondent to ask when the Bonds were dated, to confirm the settlement date, and to inform Respondent that Claimants would deliver payment for the Bonds to Respondent's office later that afternoon. Claimants allege that later that day Respondent informed Claimants did not own the Bonds because Respondent did not have the Bonds in inventory. Claimants allege that Respondent suggested alternatives, but nothing Respondent offered came close to the yield and maturity of the Bonds that Claimants had ordered. Claimants contend that if Respondent cannot deliver the Bonds, then Respondent should provide Claimants with a comparable substitute. Claimants request damages in the amount of the value of the Bonds today, less the original dollar price of \$44.399, or 150 comparable bonds with a yield of 7.5% to maturity plus 2 1/2 years interest. Claimants also request reimbursement of their filing fee and compensation for costs of approximately \$2,328.

Respondent denies the allegations made by the Claimants. Respondent denies, among other things, that it confirmed the order with Claimants; however, Respondent acknowledges that Respondent indicated to Claimants on or about 6/5/90 that the bond was a new issue subject to allocation, and that it appeared that Respondent's expected allocation would be sufficient to fill Claimants' order. Respondent acknowledges that Claimants' order was not filled, but argues that the failure to do so was not due to any negligence or other wrongdoing by Respondent or any of its employees. Respondent argues that neither Respondent nor anyone else was allocated any of the Bonds except for a single institutional buyer that purchased the entire maturity and this fact was communicated to Claimants. Respondent argues that many alternatives were available and were offered to Claimants and that if Claimants suffered any loss, it was because Claimants failed to pursue these alternatives and thereby mitigate their loss. Respondent requests that the claim be dismissed and that all appropriate costs be assessed against Claimants.

AWARD

In two sessions held on September 30, 1992 and January 6, 1993, in San Francisco, California, the undersigned arbitrators heard the controversy between the parties set forth in submissions to the arbitrators signed by Claimants on October 28, 1991 (filed with the MSRB on November 18, 1991) and by Respondent on February 7, 1992. The arbitration panel, having considered the pleadings, the testimony and the evidence presented by the parties at the hearing, has determined, in full and final resolution of the issues submitted for determination, as follows:

1. Respondent shall pay Claimants the sum of \$3,150.
2. No interest shall be awarded and each of the parties shall bear its own expenses.
3. Pursuant to MSRB rule A-16: Claimants' \$250 filing fee shall be retained by the MSRB and Claimants' \$600 hearing session deposit shall be retained by the MSRB and assessed against Respondent as forum fees payable to the Claimants.

4. Respondent's \$600 adjournment fee shall be retained by the MSRB, pursuant to section 20(b) of MSRB rule G-35.

Public Arbitrator

Public Arbitrator

Industry Arbitrator

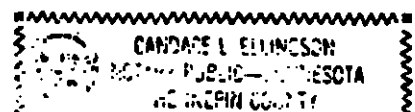
Dated:

STATE OF *MN*
COUNTY OF *Hennepin*

SS.:

On this *24th* day of *February*, 19*93*, before me personally appeared _____ to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

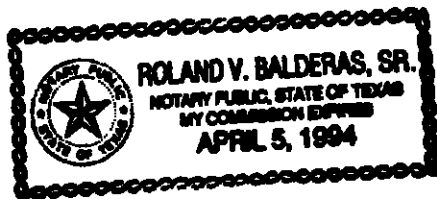
Candace L. Ellingson



STATE OF *TEXAS*
COUNTY OF *HARRIS*

SS.:

On this *23RD* day of *FEBRUARY*, 19*93*, before me personally
appeared _____ to me known and known to me to be
the individual described in and who executed the foregoing
instrument and he duly acknowledged to me that he executed the
same.



RVB *SR*

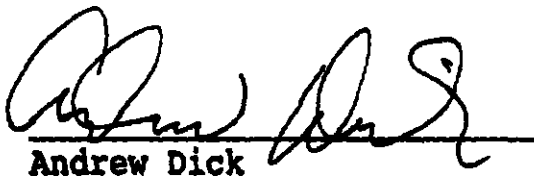
STATE OF *Colorado*
COUNTY OF *Jefferson*

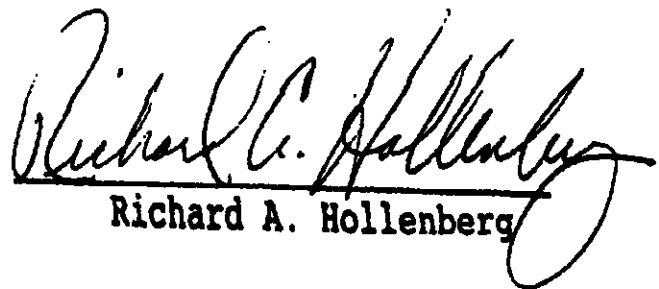
SS.:


On this *19* day of *February*, 19*93*, before me personally
appeared _____ to me known and known to me to be the
individual described in and who executed the foregoing instrument
and he duly acknowledged to me that he executed the same.

Cyril R. [Signature]
My Commission Expires:
05/17/96

4. Respondent's \$600 adjournment fee shall be retained by the MSRB, pursuant to section 20(b) of MSRB rule G-35.


Andrew Dick


Richard A. Hollenberg


Dunn Krahl

Dated: .

STATE OF MN
COUNTY OF Hennepin

SS.:

On this 24th day of February, 1993, before me personally appeared Andrew Dick to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.


Candace K. Ellingson