

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Lawrence Mason, Claimant vs. Merrill Lynch, Pierce, Fenner & Smith, Incorporated,
Respondent

Case Number: 00-01107

Hearing Site: New York, NY

REPRESENTATION OF PARTIES

Claimant, Lawrence Mason ("Mason"), hereinafter referred to as "Claimant": Robert G. Heim, Meyers & Heim LLP, New York, NY.

Respondent, Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch"), hereinafter referred to as "Respondent": Margaret Watson, Esq., In-house counsel, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 14, 2000.

Claimant Mason signed the Uniform Submission Agreement: February 25, 2000.

Statement of Answer filed by Respondent Merrill Lynch on or about: June 5, 2000.

Respondent Merrill Lynch signed the Uniform Submission Agreement: June 14, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: Breach of contract; breach of duty of good faith and fair dealing; violation of NASD Rule 2110; and negligence.

Respondent Merrill Lynch denied the allegations made in the Statement of Claim and asserted the following defenses: Respondent acted properly and in good faith and in a commercially reasonable manner; Claimant with full knowledge of the facts ratified, accepted, acquiesced in and confirmed the acts complained of in the Statement of Claim therefore resulting in a ratification of these transactions and a waiver or estoppel of Claimant's right to any recovery sought in the Statement of Claim; and Claimant failed to state a claim upon which relief can be granted; and; there exists no basis to award punitive damages.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$514,458.60 plus interest, attorneys' fees, costs and punitive damages.

By letter dated May 17, 2001, Claimant amended its relief request and asked for \$469,126.40 in compensatory damages plus interest, attorney's fees, costs and punitive damages.

Respondent requested that the Statement of Claim be dismissed in its entirety and with prejudice.

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

1. Claimant's claims are dismissed in their entirety.
2. Respondent shall pay the forum fees associated with this arbitration.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$375.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the event giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

Postponement Fees

Postponements requested during these proceedings:

March 12, 13, 14, 2001, postponement made by Claimant	= \$1,200.00
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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 arbitrator, including a pre-hearing conference with the arbitrator, that lasts four hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,200.00	= \$1,200.00
Pre-hearing conference: January 17, 2001	1 session

Six (6) Hearing sessions x \$1,200.00	= \$7,200.00
Hearing Dates: May 21, 2001	2 sessions
May 22, 2001	2 sessions
May 23, 2001	2 sessions

Total Forum Fees	= \$8,400.00
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1. The Panel has assessed \$8,400.00 of the forum fees against Merrill Lynch.

Fee Summary

1. Claimant Mason be and hereby is solely liable for:

Initial Filing Fee	= \$ 375.00
Postponement fee:	= \$1,200.00
Total Fees	= \$1,575.00
Less payments	= \$1,575.00
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Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

2. Respondent Merrill Lynch be and hereby is solely liable for:

Member Fees	= \$ 6,100.00
Forum Fees	= \$ 8,400.00
Total Fees	= \$14,500.00
Less payments	= \$ 6,100.00
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Balance Due NASD Dispute Resolution, Inc. = \$8,400.00

All balances are due and payable to NASD Dispute Resolution, Inc.

NASD Dispute Resolution, Inc.
Arbitration No. 00-01107
Award Page 5

ARBITRATION PANEL

Herbert Z. Geiger, Esq.	-	Industry Arbitrator, Chairperson
Scott Pierce	-	Industry Arbitrator
Jane S. Murphey, Esq.	-	Industry Arbitrator

Concurring Arbitrators' Signature(s)

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Herbert Z. Geiger, Esq.
Industry Arbitrator, Chairperson

Signature Date

Scott Pierce
Industry Arbitrator

Signature Date


Jane S. Murphey, Esq.
Industry Arbitrator

Signature Date


July 3, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

Herbert Z. Geiger, Esq.	-	Industry Arbitrator, Chairperson
Scott Pierce	-	Industry Arbitrator
Jane S. Murphey, Esq.	-	Industry Arbitrator

Concurring Arbitrators' Signature(s)

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Herbert Z. Geiger, Esq.
Industry Arbitrator, Chairperson

Signature Date

Scott Pierce
Industry Arbitrator

Signature Date

Jane S. Murphey, Esq.
Industry Arbitrator

Signature Date

July 3, 2001
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