

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Case Number: 01-02290

Sara L. Perrine, Individually, and
as executrix of the Estate of Scott B. Perrine,
Nancy Perrine, and Carolyn Perrine

Name of the Respondents

Hearing Site: Philadelphia, Pennsylvania

Merrill Lynch Pierce Fenner & Smith Inc.,
Frederick J. Hoey, Michael J. Schreiner,
Francis J. Hoey, and The Hoey Group

REPRESENTATION OF PARTIES

Claimants Sara L. Perrine, Individually and as the executrix of the Estate of Scott B. Perrine, Nancy Perrine, and Carolyn Perrine, hereinafter collectively referred to as "Claimants", were represented by Douglas R. Lally, Esq., Attorney at Law, Jenkintown, Pennsylvania.

Respondents Merrill Lynch Pierce Fenner & Smith Inc. ("Merrill Lynch"), Frederick J. Hoey, Michael J. Schreiner, Francis J. Hoey, and The Hoey Group, hereinafter collectively referred to as "Respondents", were represented by Elizabeth Hoop Fay, Esq., Morgan, Lewis & Bockius, LLP, Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on May 2, 2001.

Amended State of Claim filed on January 4, 2002.

Claimant Sara L. Perrine signed the Uniform Submission Agreement on April 5, 2001.

Claimant Nancy Perrine signed the Uniform Submission Agreement on April 5, 2001.

Claimant Carolyn Perrine signed the Uniform Submission Agreement on April 5, 2001.

Sara L. Perrine, executrix, executed Claimant Estate of Scott B. Perrine's Uniform Submission Agreement on November 15, 2002.

Statement of Answer filed by Respondents on June 27, 2001.

Amended Statement of Answer filed by Respondents on January 31, 2002.

Respondent Frederick Hoey signed the Uniform Submission Agreement on June 22, 2001.

Respondent Francis Hoey signed the Uniform Submission Agreement on June 22, 2001.

Respondent Michael J. Schreiner signed the Uniform Submission Agreement on June 25, 2001.

A representative executed Respondent Merrill Lynch's Uniform Submission Agreement on June 26, 2001.

Frederick Hoey executed Respondent The Hoey Group's Uniform Submission Agreement on June 22, 2001.

CASE SUMMARY

Claimants asserted the following causes of action, among others: churning; breach of fiduciary duty; unsuitability; negligence; fraud; failure to supervise; and, misrepresentation.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statements of Claim and asserted the following defenses: failure to state a claim upon which relief can be granted; estoppel; Claimants ratified, approved, accepted, acquiesced and confirmed all acts complained of in their Statement of Claim; Respondents acted in good faith; assumption of risk; Statute of Limitations; all transaction were done in accordance with all applicable Exchange and NASD rules and regulations; and, Claimant has not plead sufficient facts to justify an award of exemplary damages.

RELIEF REQUESTED

Claimants in their Statements of Claim requested:

Compensatory Damages	\$ 5,000,000.00
Punitive Damages	unspecified
Interest	unspecified
Other Costs	unspecified

Respondents in their Statements of Answer requested that Claimants' claims be dismissed in their entirety and all costs of this action be assessed against the Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Scott Perrine initially filed this claim together with the other Claimants. Mr. Perrine died prior to the hearing and the Estate of Scott Perrine was substituted for Mr. Perrine.

At the hearing, Respondents Frederick Hoey, Michael Schreiner and Francis Hoey requested that their NASD Central Registration Depository records be expunged. The Panel granted their request.

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. All claims against Respondents are denied in their entirety;

2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Frederick Hoey, Michael Schreiner and Francis Hoey's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Frederick Hoey, Michael Schreiner and Francis Hoey must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. The parties shall bear their respective costs, including attorney's fees, except as Fees are specifically addressed below; and,
4. Any and all relief not specifically addressed herein, including punitive damages is denied in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 600.00
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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 firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent Merrill Lynch is a party.

Member surcharge	= \$ 2,500.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$ 4,500.00</u>
Total Member Fees	= \$ 7,600.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

July 15-17, 2002 adjournment by Respondent Michael Schreiner	= \$ 1,200.00
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Forum Fees and Assessments

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

One (1) Pre-hearing session with Panel @ \$ 1,200.00	= \$ 1,200.00
Hearing Date: December 20, 2001	

Six (6) Hearing sessions @ \$ 1,200.00	= \$ 7,200.00
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Hearing Dates:	October 15, 2002	2 sessions
	October 16, 2002	2 sessions
	October 17, 2002	2 sessions

Total Forum Fees = \$ 8,400.00

1. The Panel has assessed \$ 4,200.00 of the forum fees to Claimant Sarah Perrine.
2. The Panel has assessed \$ 4,200.00 of the forum fees to Respondent Merrill Lynch.

FEE SUMMARY

1. Claimant Sarah Perrine is assessed the following fees:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 4,200.00
Total Fees	= \$ 4,800.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 3,000.00

2. Respondent Merrill Lynch is assessed the following fees:

Member Fees	= \$ 7,600.00
Forum Fees	= \$ 4,200.00
Total Fees	= \$ 11,800.00
Less payments	= \$ 9,100.00
Balance Due NASD Dispute Resolution	= \$ 2,700.00

3. Respondent Michael Schreiner is assessed the following fees:

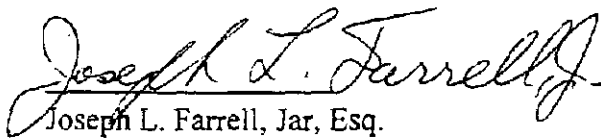
Adjournment Fee	= \$ 1,200.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Joseph L. Farrell, Jar, Esq..	-	Public Arbitrator, Presiding Chairperson
Henry H. Reichner, Jr.	-	Public Arbitrator, Panelist
Cornelius C. Clancy	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Joseph L. Farrell, Jr., Esq.
Public Arbitrator, Presiding Chairperson

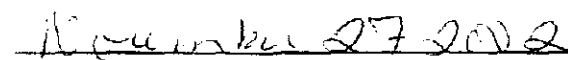
Signature Date

Henry H. Reichner, Jr.
Public Arbitrator, Panelist

Signature Date

Cornelius C. Clancy
Non-Public Arbitrator, Panelist

Signature Date


Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Joseph L. Farrell, Jr. Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Henry H. Reichner, Jr.
Henry H. Reichner, Jr.
Public Arbitrator, Panelist

11/21/02
Signature Date

Cornelius C. Clancy
Non-Public Arbitrator, Panelist

Signature Date

November 27, 2002
Date of Service (For NASD Dispute Resolution office use only)

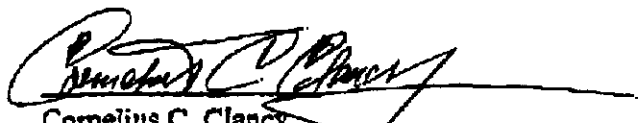
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Joseph L. Farrell, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Henry H. Reichner, Jr.
Public Arbitrator, Panelist

Signature Date


Cornelius C. Clancy
Non-Public Arbitrator, Panelist

 11/28/02
Signature Date

November 27, 2002
Date of Service (For NASD Dispute Resolution office use only)