

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Nilesh Patel, (Claimant) vs. Merrill Lynch, Pierce, Fenner & Smith, Inc., Anil Chaturvedi, and
Merrill Lynch International Private Client Group, (Respondents)

Case Number: 01-02873

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Nilesh Patel, hereinafter referred to as "Claimant": Anthony J. Ferrara, Esq., Polstein, Ferrara, Dwyer & Speed, P.C., New York, NY.

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. ("MLPFS") and Anil Chaturvedi ("Chaturvedi"), hereinafter collectively referred to as "Respondents": Neal Brickman, Esq., The Law Offices of Neal Brickman, New York, NY. Previously represented by: Richard Kelly, Esq., Attorney, Merrill Lynch, Pierce, Fenner & Smith, Inc., New York, NY.

Respondent, Merrill Lynch International Private Client Group ("ML International"), did not make an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: May 30, 2001.

Claimant signed the Uniform Submission Agreement: May 21, 2001.

Joint Statement of Answer filed by Respondents on or about: August 27, 2001.

MLPFS signed the Uniform Submission Agreement: August 27, 2001.

Chaturvedi signed the Uniform Submission Agreement: August 23, 2001.

ML International did not file a Statement of Answer or sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trading; misrepresentation; fraud; unsuitability; and omission of facts. Claimant's claim involved investments in the Merrill Lynch Convergence Fund Ltd., a Unexim Bond, and the Permal Investment Holdings Fund.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a cause of action upon which damages can be recovered; at all relevant times, Respondents acted in good faith and did not, directly or indirectly, induce any acts constituting a cause of action; Claimant failed to mitigate his damages; Claimant expressly ordered, approved, authorized, participated in, and ratified the acts and transactions complained of and upon which recovery is sought; Respondents acted in a commercially reasonable manner, consistent with their obligations and responsibilities towards Claimant; any and all alleged losses suffered by Claimant were proximately caused by his own conduct and negligence; and at all relevant times, MLPFS maintained an adequate and reasonable system of supervision and control over its employees, at all times acted in good faith, and did not at any time, directly or indirectly, induce any act or acts constituting a cause of action.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$67,702.95, plus interest, return of forum fees, and such other relief as the Panel deems appropriate.

Respondents requested that the Statement of Claim be denied in all respects, that the costs of this proceeding be assessed against Claimant, and that this matter be expunged from Chaturvedi's registration records.

OTHER ISSUES CONSIDERED AND DECIDED

ML International was not a member of NASD, Inc. or an associated person during the period of time in dispute, and declined to voluntarily submit to the jurisdiction of NASD Dispute Resolution in this matter.

At the close of Claimant's case, Respondents moved to dismiss the case, and requested an Award of costs and attorneys' fees. The Panel reserved its ruling and at the conclusion of the case dismissed the claim. Respondents' request for costs and attorneys' fees was denied.

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 hereby dismissed in their entirety.
2. All other requests for relief are hereby denied.

FEEES

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 = \$ 225.00

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 events giving rise to the dispute. In this matter, Merrill Lynch, Pierce, Fenner & Smith, Inc. is a party.

Member surcharge = \$1,000.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$1,500.00

Adjournment Fees

Adjournments requested during these proceedings:

Nov. 13 & 14, 2002, adjournment by Respondents = \$ 750.00

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:

Two (2) Pre-hearing sessions with Panel x \$750.00 = \$1,500.00
Pre-hearing conferences: March 20, 2002 1 session
October 8, 2002 1 session

Three (3) Hearing sessions x \$750.00	= \$2,250.00
Hearing Dates: January 27, 2003	1 session
January 28, 2003	2 sessions
Total Forum Fees	= \$3,750.00

1. The Panel has assessed \$1,875.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,875.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$1,875.00
Total Fees	= \$2,100.00
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$1,125.00

2. MLPFS is solely liable for:

Adjournment Fee	= \$ 750.00
Member Fees	= \$3,100.00
Total Fees	= \$3,850.00
Less payments	= \$3,100.00
Balance Due NASD Dispute Resolution	= \$ 750.00

3. Respondents are jointly and severally liable for:

Forum Fees	= \$1,875.00
Total Fees	= \$1,875.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,875.00

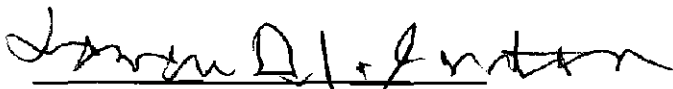
All balances are payable to NASD Dispute Resolution, and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Lowell D. Johnston, Esq.	-	Public Arbitrator, Presiding Chair
Richard N. Goldstein, Esq.	-	Public Arbitrator
Doris Christine Lindbergh, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

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.



Lowell D. Johnston, Esq.
Public Arbitrator, Presiding Chair



Signature Date

Richard N. Goldstein, Esq.
Public Arbitrator

Signature Date

Doris Christine Lindbergh, Esq.
Non-Public Arbitrator

Signature Date

March 6, 2003

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL


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Lowell D. Johnston, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Richard N. Goldstein, Esq.
Public Arbitrator

2/27/03
Signature Date

Doris Christine Lindbergh, Esq.
Non-Public Arbitrator

Signature Date

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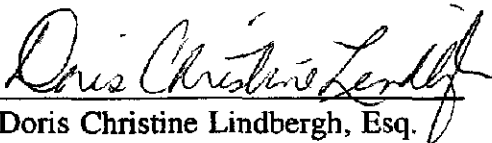
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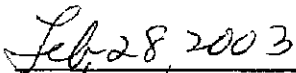
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March 6, 2003

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