

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:
Merrill Lynch, Pierce, Fenner & Smith Incorporated, Claimant v. William A. Anderson
and Kathryn D. Anderson, Respondents

Case Number: 06-01627

Hearing Site: Seattle, Washington

Nature of the Dispute: Member v. Customers

REPRESENTATION OF PARTIES

For Claimant:

Brian C. Free, Esq.
Hillis Clark Martin &
Peterson
Seattle, Washington

For Respondent William A. Anderson:

William A. Anderson
Pro Se
Redmond, Washington

For Respondent Kathryn D. Anderson:

Kathryn D. Anderson
Pro Se
Redmond, Washington

CASE INFORMATION

Statement of Claim filed: March 28, 2006

Claimant's Uniform Submission Agreement signed: March 10, 2006

CASE SUMMARY

Claimant asserted a claim for breach of contract in connection with Respondents' alleged failure to pay Claimant monies owed to it in connection with purchases of securities, loans, credit card purchases, and cash withdrawals from Respondents' accounts with Claimant.

RELIEF REQUESTED

Claimant requested \$39,994.07 in compensatory damages, pre- and post-judgment interest, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution properly executed submission agreements; however, Respondents are required to submit to arbitration because they executed a pre-dispute agreement to arbitrate all disputes with Claimant, and thus they are bound by the determination of the arbitrator on all issues submitted.

On September 14, 2006, Claimant filed a Motion for NASD Award. Respondents were provided with an opportunity to respond to the motion, but no response was received by NASD. On October 6, 2006, the arbitrator granted Claimant's request to decide the case based on the papers submitted without a formal hearing. The arbitrator concluded, based on documentation submitted by Claimant, that Respondents, both individually and as a marital community, received notice of this proceeding pursuant to NASD's Code of Arbitration Procedure.

AWARD

After considering the pleadings and Claimant's Motion for NASD Award, the arbitrator decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents William A. Anderson and Kathryn D. Anderson are jointly and severally liable to and shall pay Claimant Merrill Lynch, Pierce, Fenner & Smith Incorporated the sum of \$39,994.07 in compensatory damages.
- 2) Respondents William A. Anderson and Kathryn D. Anderson are jointly and severally liable to and shall pay Claimant Merrill Lynch, Pierce, Fenner & Smith Incorporated pre-judgment interest in the amount of \$19,259.61 at a rate of 9% per annum from May 31, 2001 to October 6, 2006 with no compounding of interest
- 3) Respondents William A. Anderson and Kathryn D. Anderson are jointly and severally liable to and shall pay Claimant Merrill Lynch, Pierce, Fenner & Smith Incorporated post-judgment interest at the rate of 9% per annum with no compounding of interest until this Award is paid in full.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$1,000.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Merrill Lynch, Pierce, Fenner & Smith Incorporated is a party, and the following fees are assessed:

Member Surcharge	= \$ 875.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,625.00

Forum Fees and Assessments

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

One (1) pre-hearing conference session with a single arbitrator	
@ \$450.00/session	= \$ 450.00
Pre-hearing conference: August 21, 2006	1 session
<u>Decision on the papers:</u>	<u>= \$ 300.00</u>
Total Forum Fees	= \$ 750.00

The arbitrator assessed the forum fees jointly and severally to Claimant and Respondents.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 2,625.00
Total Fees	= \$ 3,625.00
Less payments	= \$ 3,625.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Claimant and Respondent are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 150.00
Less Payments by Claimant Merrill Lynch	= \$ (150.00)
Balance Due NASD Dispute Resolution	= \$ 300.00

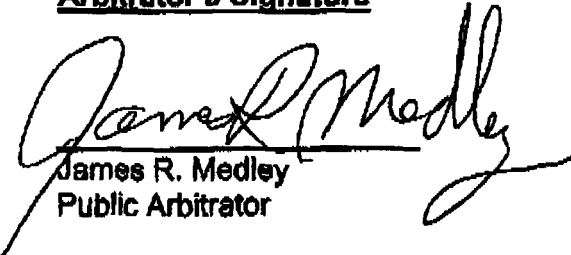
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATOR

James R. Medley

Public Arbitrator

Arbitrator's Signature


James R. Medley
Public Arbitrator

10/27/06
Signature Date

10/30/06
Date of Service