

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

: In the Matter of the Arbitration Between :
: : CASE #'s
: David Lewis Trust : 87-02870
: Richard J. Lewis on behalf : 87-02871
: of Harriet Lewis :
: Gayle Lewis : 87-02872
: Richard J. Lewis : 87-02873
: Claimants :
: vs. : AWARD
: :
: Merrill Lynch Pierce Fenner & Smith, Inc. :
: Norman Rockoff :
: Respondents :

CASE SUMMARY

Claimants allege that Respondents made unsuitable and unauthorized trades in their accounts in certain options transactions. Further, the accounts were churned. Respondents contend that all trades were authorized; that the accounts were not controlled by Respondents; that trading was not excessive and that trades were suitable. Moreover, Claimants lost money due to the market crash of October 1987, not wrongdoing by the Respondents.

RELIEF REQUESTED

Claimants seek monies in excess of \$400,000.00. Respondents seek dismissal and costs. Claimants sought the following sums for the accounts at the hearing:

- 1) David Lewis Trust, \$40,632.00;
- 2) Gayle Lewis, \$52,106.00;
- 3) Richard Lewis special on behalf of Harriet Lewis, \$49,589.00;
- 4) Richard Lewis, \$281,343.00.

AWARD

On July 23, 24 and 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on December 29, 1987 and by Respondent Merrill Lynch Pierce Fenner & Smith, Inc. on June 21, 1988 and by Respondent Norman Rockoff on April 7, 1988. The hearing was held New York City, NY and consisted of six (6) hearing sessions. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. All claims be and hereby are dismissed.
2. The parties shall each bear their respective costs, including attorney's fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$2,200.00 filing fee previously deposited by the Claimants.
4. Respondent Merrill Lynch Pierce Fenner & Smith, Inc. is assessed forum fees in the amount of \$3,800.00 payable to the NASD, Inc. in accordance with Section 43 of the Code of Arbitration Procedure.

CONCURRING ARBITRATORS

/s/

Martin Fogelman, Esq.

/s/

Henry H. Balter

/s/

Louis Green, C.P.A.

DATED BY THE NASD, October 12, 1990