

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Beverly Langdon

88-03757

Name of Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc.  
Donald Lillie

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CASE SUMMARY

Claimant Beverly Langdon ("Langdon"), alleged that the Respondents', Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") and Donald Lillie ("Lillie"), recommendation that she purchase LTV stock was not proper and prudent given her financial position. Specifically, Langdon alleged that LTV was a speculative, low-rated security which was unsuitable for her, and that the Respondents never advised her of the risks involved. Langdon further alleged that the Respondents failed to follow her instructions to be made liquid.

Respondents Merrill Lynch and Lillie contended that Langdon was a knowledgeable investor who voluntarily purchased the LTV stock with full knowledge of the risks involved, and that the losses sustained by Langdon were the direct result of market conditions beyond the control of Merrill Lynch and Lillie.

RELIEF REQUESTED

Claimant Beverly Langdon requested to be made whole on her investment of \$20,000.00. Respondents Merrill Lynch and Lillie requested dismissal of all claims made against them or, if the panel finds that Langdon's losses were some how attributable to some type of misconduct on the part of the Respondents, then the damages should be limited to the difference between the price of the LTV stock in May of 1985 and in March of 1986.

AWARD

On January 31, 1991, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to

arbitration signed by the Claimant Beverly Langdon on October 11, 1988 and by the Respondents Merrill Lynch and Donald Lillie on June 19, 1989. The initial claim was filed on December 5, 1988. The hearing was held in East Lansing, MI and consisted of two (2) 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. Respondents Merrill Lynch and Donald Lillie be and hereby are jointly and severally liable and shall pay to the Claimant Beverly Langdon the sum of Two Thousand Five Hundred Sixty Two Dollars and Twenty Five Cents (\$2,562.25), with no interest.
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 \$400.00 filing fee previously deposited by the Claimant, and the Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of Five Hundred Dollars and No Cents (\$500.00), as costs of the two (2) hearing sessions conducted in this matter.

ARBITRATORS SIGNATURE

\_\_\_\_\_/s/\_\_\_\_\_  
Norman Bristol

\_\_\_\_\_/s/\_\_\_\_\_  
John C. Butterfield

\_\_\_\_\_/s/\_\_\_\_\_  
David H. Jarvis

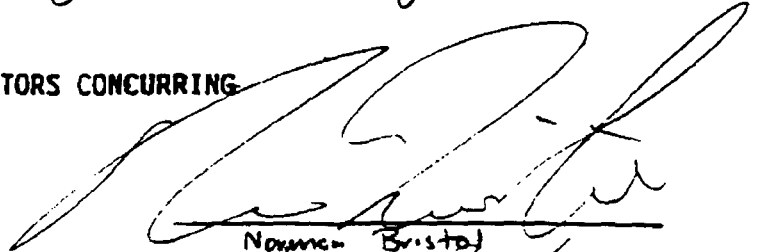
Dated: January 31, 1991

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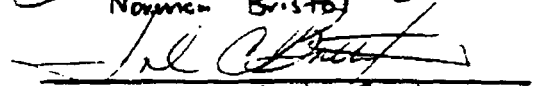
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Respondent/Claimant is assessed for fees in the amount of \$  
payable to the NASD, Inc. through its staff counsel/administrator in  
accordance with Section 43 of the Code of Arbitration Procedures.

ARBITRATORS CONCURRING



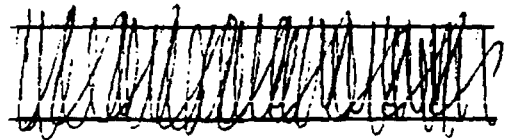
Norman Bristol



John C. Butterfield



David H. Jarvis



Dated: Jan. 31, 1991