

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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: In the Matter of the Arbitration Between :  
: :  
: Michele Renee Angulo f/k/a :  
: Michele Renee Williams :  
: McKenneth Williams :  
: Claimants : CASE# 89-00159  
: vs. : AWARD  
: :  
: Merrill Lynch Pierce Fenner & Smith, Inc. :  
: Ginger Roberts Carson :  
: Respondents :  
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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 10, 1989 Claimant Michele Renee Angulo, f/k/a Michele Renee Williams alleged that Respondents Merrill Lynch Pierce Fenner & Smith, Inc. and Ginger Roberts Carson, were on notice of the restrictions placed on her joint account with her husband McKenneth Williams, that both signatures, Michele Renee Angulo and her former husband McKenneth Williams were required for any and all transactions relating to the joint account. Notwithstanding the subject restrictions, the Respondents issued two checks for the full amount of the joint account, namely \$20,000.00 plus 8 1/2% interest, to her former husband without her permission, signature nor notification. Michele Renee Angulo further alleged that her former husband cashed both checks by forging her signature. Respondents Merrill Lynch Pierce Fenner & Smith, Inc. and Ginger Roberts Carson assert that Michele Renee Angulo is barred from recovery against Respondents because Michele Renee Angulo ratified each and every position in her non discretionary securities account; that Michele Renee Angulo is barred by the applicable Statute of Limitations; that Michele Renee Angulo is estopped by her conduct from asserting against Respondents any and all claims alleged in the Statement of Claim; and that Michele Renee Angulo is not entitled to any recovery FROM Respondents because she failed to join necessary parties to a proper adjudication of her dispute. A Judgment and Decree of Dissolution of the Marriage of the Claimant Michele Renee Angulo f/k/a Michele Renee Williams and her former husband, McKenneth Williams, was entered on November 9, 1987 in the City of Rochester, Minnesota. McKenneth Williams did not make an appearance although the court records show that the Summons and Petition for Dissolution of Marriage was personally served on him on September 8, 1987. Subsequent to the date of the dissolution of the marriage, McKenneth Williams whereabouts have been unknown and both parties at the hearing verified that fact. Based on that fact Mr. McKenneth Williams did not sign a submission agreement or appear at the hearing.

RELIEF REQUESTED

Claimant Michele Renee Angulo requested damages of \$20,000.00 plus 8.2% interest for the conversion of funds in the joint account and costs and attorneys' fees. Respondents requested that Michele Renee Angulo's claim be dismissed in all respects and that Respondents be awarded attorneys' fees, costs and expenses incurred in defense of the claim and be awarded such other and further relief as deemed just and proper.

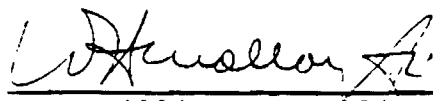
AWARD

On July 19, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Michele Renee Angulo, f/k/a Michele Renee Williams on March 10, 1989, and not signed by Claimant McKenneth Williams as required pursuant to Section 8 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, and by Respondent Merrill Lynch Pierce Fenner & Smith, Inc. on June 15, 1989, and by Respondent Ginger Roberts Carson on June 14, 1989. The hearing was conducted at the offices of the National Association of Securities Dealers, Inc. located in Washington, DC 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. The Respondent Merrill Lynch Pierce Fenner & Smith, Inc. is liable to the Claimant Michele Renee Angulo (formerly Michele Renee Williams) in the amount of Fifteen Thousand Five Hundred Dollars and No Cents (\$15,500.00) which includes interest; McKenneth Williams is specifically excluded from the award.
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 Michele Renee Angulo. In addition, 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 \$400.00 to represent forum fees.

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CONCURRING ARBITRATORS

  
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William H. Malloy

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Gerald Scher

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William Kerns

DATED: September 10 , 1990

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CONCURRING ARBITRATORS

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William H. Malloy

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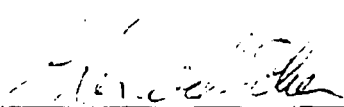
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CONCURRING ARBITRATORS

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William H. Malloy



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Gerald Scher

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William Kerns

DATED: September 20, 1990