

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

DELOIS COCHRAN

Claimant(s)

Case No. 89-00293

and

MERRILL LYNCH PIERCE FENNER & SMITH, INC.  
AND BRIAN D. HINCHCLIFF

Respondent(s)

CASE SUMMARY

Delois Cochran ("Claimant") alleged that Merrill Lynch Pierce Fenner & Smith, Inc. and Brian D. Hinchcliff (collectively referred to herein as "Respondents") recommended unsuitable securities which were the Franklin U.S. Government Securities Fund, Leslie Fay, Bernard Chaus, and Lear Petroleum. Claimant further alleged that the Respondents failed to explain the nature and risks of the investments.

Respondents denied the claims of the Claimant and alleged that the securities were consistent with the Claimants investment objectives which existed at the time each of the securities were recommended. Respondents alleged that they informed the Claimant of the nature and risks of each security recommended.

RELIEF REQUESTED

Claimant requested damages in the amount of \$27,520.77. Respondent requested that the claims of the Claimant be dismissed.

AWARD

The NASD received the Claimants claim on January 30, 1989.

On June 19, 1990 during a hearing lasting three (3) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on January 26, 1989 by Claimant Delois Cochran, on May 1, 1989 by Donald N. Malawsky on behalf of Respondent Merrill Lynch Pierce Fenner & Smith, and on April 17, 1989 by Respondent Brian D. Hinchcliff. The hearing was held in Dallas, Texas.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. The Respondents are jointly and severally liable for and shall pay to the Claimant Four Thousand Two Hundred Dollars and No Cents (\$4,200).

2. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$400.00 filing fee previously deposited with the NASD by the Claimant and Respondents shall be jointly and severally liable for and shall pay to the NASD \$800.00 as forum fees.

By the Panel

Dated: June 19, 1990 /S/ Howard E. Vanberg, Jr.  
Presiding Chair

Dated: June 19, 1990 /S/ Luther B. Nicholson

Dated: June 19, 1990 /S/ Ronald J. Gard