

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

: In the Matter of the Arbitration Between :
: :
: Joan Dunlop :
: Claimant : CASE# 89-00301
: vs. : AWARD
: :
: Merrill Lynch Pierce Fenner & Smith, Inc. :
: Michael Moran :
: Respondents :
: :

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 2, 1989, Claimant Joan Dunlop alleged the Respondents made material misrepresentations to the Claimant knowing they were false and omitted to state material facts and in reliance thereon, Claimant gave complete control, authority and discretion to manage her account to her broker Michael Moran. Claimant further alleged the Respondents traded in securities that were unsuitable for the Claimant in light of her stated investment objectives and goals and engaged in excessive trading activities. Claimant further alleged the Respondent Merrill Lynch Pierce Fenner & Smith, Inc. failed to adequately supervise the activities of the broker Michael Moran. Respondents Merrill Lynch Pierce Fenner & Smith, Inc. and Michael Moran maintained that Claimant's account was handled in a lawful, competent and professional manner at all times and she authorized certain trading activities in her account. Respondents further maintained the Claimant met with Respondent Michael Moran to discuss her investment portfolio and they agreed on her investment strategy and the Claimant later informed him that she was pleased with her investments and reinvested most of the income she received. Respondents further maintained they faithfully followed the Claimant's instructions and investment objectives at all times and timely provided her with trade confirmations and monthly account statements which advised her of all market activity and the status of her account.

RELIEF REQUESTED

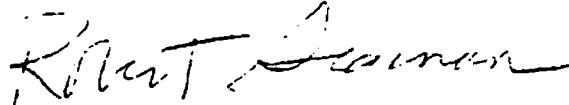
Claimant requested damages of \$321,000.00 plus excessive commissions, costs, expenses and reasonable attorney's fees. Respondent Merrill Lynch Pierce Fenner & Smith, Inc. and Michael Moran requested dismissal of all the Claimant's claims and that Claimant's request for damages be denied.

AWARD

On July 26, 28 and 29, 1990 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Joan Dunlop on December 29, 1988 and by Respondent Merrill Lynch Pierce Fenner & Smith, Inc. on May 8, 1989 and by Respondent Michael Moran on May 1, 1989. The hearing was conducted in Burlington, Vermont and consisted of five (5) 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 claims by the Claimant be and hereby are dismissed in all respects.
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 \$500.00 deposit previously submitted by the Claimant and the Claimant be and hereby is liable and shall pay to the National Association Securities Dealers, Inc. the sum of \$250.00 which shall represent the balance of the requisite filing fee. In addition, the Claimant Joan Dunlop be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of \$1,125.00 to represent forum fees and the Respondents Merrill Lynch Pierce Fenner & Smith, Inc. and Michael Moran be and hereby are liable jointly and severally and shall pay to the National Association of Securities Dealers, Inc. the sum of \$1,875.00 to represent forum fees.

CONCURRING ARBITRATORS



Robert Seaman

J. Clark Winslow

Ronald B. Curry

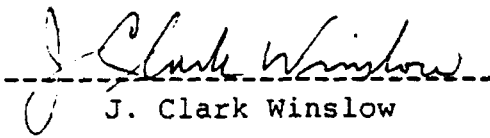
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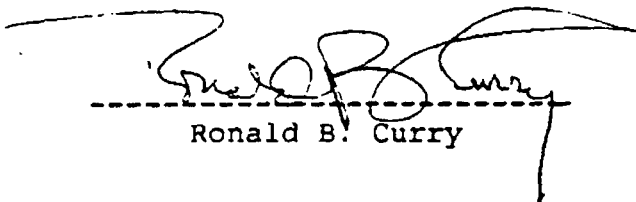
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