

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

JAMES G. WATRISSE

Claimant(s)

Case No. 89-01605

and

MERRILL LYNCH, PIERCE, FENNER  
& SMITH, INC. AND WILLIAM G. RYAN, JR.

Respondent(s)

CASE SUMMARY

In a claim filed with the NASD on or about June 1, 1989, Claimant James G. Watriss ("Claimant") alleged that Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill") and William G. Ryan, Jr. ("Ryan") (collectively as "Respondents") failed to execute orders to close option positions. Claimant alleged that the failure to execute the orders to close option positions constituted a breach of contract and a breach of duty of fair dealing owed to him by Respondents. Claimant also alleged that the Respondents churned his account for a period of time.

In their joint answer filed with the NASD on or about July 24, 1989, Respondents denied the allegations of Claimant. Respondents affirmatively stated that Claimant fully understood the risks of options trading, had extensive experience in options trading, and that Claimant controlled the accounts and specifically authorized each and every transaction.

RELIEF REQUESTED

Claimant requested an award in the amount of at least \$59,760.86 plus interest at the legal rate of interest from October 13, 1987.

Respondents requested that the statement of claim be dismissed in its entirety and costs be assessed against Claimant.

AWARD

On Thursday, July 12, 1990 in New Orleans, Louisiana during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on May 10, 1989 by Claimant James G. Watriss, on July 24, 1989 by J. David Montague on behalf of Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. and on July 12, 1990 by Respondent William G. Ryan, Jr.

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. Respondents Merrill Lynch, Pierce, Fenner and Smith, Inc. and William G. Ryan, Jr. shall be and hereby are jointly and severally liable for and shall pay to Claimant James G. Watriss the sum of Seventeen Thousand Eight Hundred One Dollar and Fifty-Nine Cents (\$17,801.59);

2. Interest at the legal rate of interest is awarded on the above stated sum from and inclusive of June 1, 1989 until the date this award is paid;

3. Each party shall bear their own costs and expenses including attorneys' fees incurred in this matter not specifically enumerated herein; and

4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the \$500.00 filing fee previously deposited with the NASD by the Claimant James G. Watriss. Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. shall pay to the NASD the sum of \$1000.00 as forum fees.

By the Panel

Dated: July 12, 1990

/S/ Daniel E. Bivins, III  
Presiding Chair

Dated: July 12, 1990

/S/ Roy N. Ladner

Dated: July 12, 1990

/S/ John Godchaux

Date Served: July 13, 1990