

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Sara L. Satin & Ruthann B Satin

89-01947

Name of Respondent(s)

Merrill Lynch, Pierce Fenner & Smith Inc
Richard T. Descano

REPRESENTATION

For Claimant: David M. Greenberg, Esq.

For Respondent: Cameron Stout, Esq.

CASE INFORMATION

Statement of Claim filed: July 10, 1989

Claimant's Submission Agreement signed on: June 16, 1989

Statement of Answer filed by Respondents on: September 8, 1989

Respondent, Merrill Lynch, Pierce, Fenner & Smith Inc.'s Submission Agreement signed on: September 7, 1989.

Submission agreement signed by Respondent Richard T. Descano on September 19, 1989.

HEARING INFORMATION

Hearing Dates/Sessions:

Prehearing conference June 24, 1991

Prehearing conference July 9, 1991

Hearing sessions held: July 16, July 17
September 11, 12, 13, and 16, 1991.

Thirteen hearing sessions.

Hearing Location: San Francisco, California

CASE SUMMARY

Claimants, Sara L. Satin and Ruthann B Satin (Satin) alleged that Respondent Richard T. Descano (Descano) recommended individual security and options transactions which were inconsistent with the Claimants' investment goals. Descano also recommended numerous speculative transactions and strategies which resulted in substantial losses. Descano, while controlling the Satin accounts, effected securities transactions which were excessive in light of the Claimants' stated investment objections. Satin also alleges failure to supervise on the part of Respondent Merrill Lynch.

Respondents alleged that the Satin accounts were controlled by Sarah Satin who held herself out as a sophisticated and experienced investor and all transactions recommended by Merrill Lynch and Descano were suitable for Claimants based on their stated objectives and experience.

RELIEF REQUESTED

Claimants requested: Compensatory damages according to proof, interest, attorney's fees, costs and punitive damages.

Respondents requested dismissal of the claim in its entirety.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. is solely liable and shall pay to Claimants Sarah L. Satin and Ruthann B Satin the sum of Fifty Eight Thousand Dollars and No Cents (\$58,000.00).
2. Each and every claim of Claimants against Respondent Richard T. Descano is dismissed.
3. The parties shall each bear their respective costs and attorneys' fees.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed.

1. The NASD shall retain the \$750.00 fee previously deposited by Claimants as an assessment of forum fees.
2. Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. is solely assessed and shall pay to the NASD the sum of \$9,000.00 in forum fees.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

Public/Industry

Public Chairperson

Industry

Public

Signatures

Francis O. Spalding
Francis O. Spalding

Date of Decision: _____