

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
Suite 1680
Three First National Plaza
Chicago, IL 60602
(312) 899-4440

In the Matter of the Arbitration Between

Name of Claimant(s)

Rebecca Selwyn & Sara-Ann Polit

89-03107

Name of Respondent(s)

Merrill Lynch, Pierce Fenner & Smith Inc

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about November 6, 1989, Rebecca Selwyn and Sara-Anne Polit ("Claimants") alleged that unauthorized option trading and unauthorized use of margin occurred in their account at Merrill Lynch Pierce Fenner & Smith, Inc. ("Merrill"). Claimants also alleged that they were not suitable for margin and option trading, and that Merrill failed to supervise their broker.

In its answer filed with the NASD on or about January 8, 1990, Merrill stated that claimants were fully informed of all transaction and approved all transactions which were executed in their account Merrill Further stated that claimants were informed of the risks and mechanics of option transactions and that they were suitable for those transactions.

PROCEDURAL MATTERS

The parties agreed at the hearing to the execution of a handwritten award by the panel and the receipt of a typed, conformed copy of this award.

RELIEF REQUESTED

Claimants requested an award in the amount of \$62,317.95. In an amendment filed with the NASD on or about October 29, 1990, Claimants requested an award in the amount of \$66,067.95.

Respondent requested that the claims be dismissed.

Arbitration

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AWARD

On Wednesday, November 14, 1990 in Houston, Texas during a hearing lasting a total of two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on November 3, 1989 by Claimant Sara-Polit on January 5, 1990 by John Kevin Wilson on behalf of Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc.

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 Statement of claim shall be and hereby is dismissed and denied in its entirety;

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

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund \$350.00 of the filing fee in the amount of \$500.00 previously deposited with the NASD by the Claimant. Respondent Merrill Lynch, Pierce, Fenner, & Smith, Inc. shall pay to the NASD the sum of \$1000.00 as forum fees.

By the Panel

Dated: November 14, 1990 /S/ Cynthia J. Thomson, Esq.

Dated: November 14, 1990 /S/ Leonard Alpert

Dated: November 14, 1990 /S/ Michael Judd