

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
Selma Hittelman)	
)	
Claimant)	
)	AWARD
vs.)	
)	NASD #90-00246
Merrill Lynch, Pierce,)	
Fenner & Smith, Inc.)	
Raymond A. Saldonis)	
Respondents)	

SUMMARY OF ISSUES

Claimant alleged misrepresentation of material facts and unsuitability with respect to the recommendation and purchase of Republic Steel and Southmark corporate bonds.

Respondents denied all Claimant's allegations, and asserted that Claimant was an experienced, sophisticated investor with multiple accounts, including commodities and options accounts traded for speculation. Respondents also asserted that Claimant was fully apprised of all particulars regarding the bonds and approved their purchase.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages of approximately \$82,000, plus punitive damages, interest and costs of arbitration.

Respondents requested dismissal of all claims.

DAMAGES AND RELIEF AWARDED

This claim was filed with the NASD on January 22, 1990. On March 26, 1991, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on January 4, 1990. Respondents did not submit executed submission agreements, but answered the claim and appeared at the evidentiary hearing. The hearing was conducted in Los Angeles, California and lasted two (2) 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 as follows:

1. All claims, including the claim for punitive damages, are dismissed.

2. The parties shall each bear their respective costs including attorneys' fees.

3. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$500.00 filing fee previously deposited by the Claimant as an assessment of forum fees. In addition, Respondent Merrill Lynch is also assessed forum fees of \$500.00, payable to the NASD.

OTHER ISSUES

None.

ARBITRATORS CONCURRING

DATE SERVED: 4/12/91


R. James Shafer

Ian L. Sitren

Larry Maize