

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Daniel M. Schwartz

Claimant

vs.

Merrill Lynch, Pierce, Fenner & Smith, Inc.

Respondent

CASE #91-00233
AWARD

CASE SUMMARY

Pro Se Claimant, Daniel M. Schwartz, in a claim filed with the National Association of Securities Dealers, Inc. on January 23, 1991, alleged that Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. failed to inform him, before purchase, that his CMO would have a delay in payments of interest. He states that because of his age he does not want deferral of interest to sale or maturity and that the information he received prior to purchase indicated that interest would be paid without delay.

Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. by its attorney Christopher D. Cavuoti, New York, NY, maintained that the Westam Mtg. Fin. Collateralized Mortgage Obligation in question had a 30-day stated delay in the first interest payment, a consistent feature of this type of investment. Respondent states that interest from this 30-day delay accretes for the CMO holder and is paid at the time of sale of the investment or at maturity, in no way harming the investor, in this case the Claimant. Respondent continues that no material omission was made and that Claimant will receive the accreted interest at the time of his sale or at maturity.

Claimant provided a reply to Respondent's Answer.

RELIEF REQUESTED

Claimant requests Seven Hundred Forty-Five Dollars and Eighty-Three Cents (\$745.83) plus interest from April 1, 1990 to be credited to his Merrill Lynch account.

Respondent requests denial of the Claim in all respects plus costs of this proceeding.

AWARD

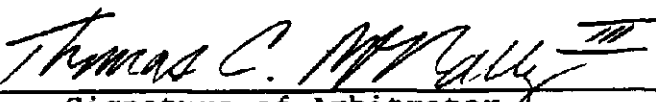
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Thomas C. McNally, III, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 18, 1991 and by the Respondent on July 2, 1991;

And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. That the Claim of Daniel M. Schwartz be, and hereby is, dismissed.
2. The parties shall bear their respective costs including attorney's fees.
3. The Thirty Dollar (\$30) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, THOMAS C. McNALLY, III, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

EXECUTED &

DATED: 10-7-91

Dated by the NASD, Inc: October 21, 1991