

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration BetweenName of Claimant

Carmella M. Maruscak

91-00448

Name of Respondent

Merrill Lynch, Pierce, Fennar & Smith, Inc.

REPRESENTATION

For Claimant: Appeared pro se.
For Respondent: Elizabeth Green, Esq., in-house counsel.

CASE INFORMATION

Statement of Claim filed: February 11, 1991.
Claimant's Submission Agreement signed on: February 5, 1991.

Statement of Answer filed by Respondent on: May 23, 1991.
Respondent's Submission Agreement signed on: June 11, 1991.

HEARING INFORMATION

Hearing Date/Session: September 11, 1991, 1 session.

Hearing Location: Offices of the National Association of Securities,
Dealers, Inc. ("NASD") in Philadelphia, PA.

CASE SUMMARY

Claimant, Carmella M. Maruscak ("Maruscak"), alleged that the Respondent's, Merrill Lynch, Pierce, Fennar & Smith, Inc. ("Merrill Lynch"), recommendation, and her subsequent purchase, of the Prime Plan V, a single premium variable life insurance policy issued by Monarch Life Insurance Company, was inappropriate and unsuitable for her in light of her financial needs. In addition, Maruscak alleged that the risks inherent in this investment were never fully explained to her.

Merrill Lynch denied all allegations of wrongdoing, and contended that the Prime Plan V was consistent with Maruscak's stated financial objectives and that she was fully informed of the nature and risks of the investment. Moreover, Merrill Lynch contended the investment has completely recovered since its decline in value in October of 1987, and that Maruscak has suffered no out-of-pocket losses.

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RELIEF REQUESTED

Maruscak requested actual damages of approximately \$25,000.00, plus costs. Merrill Lynch requested dismissal of all claims made against it, plus costs.

NASD

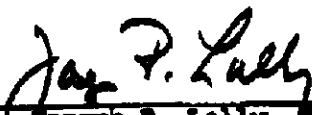
After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Merrill Lynch be and hereby are dismissed in their entirety.
2. The parties each shall bear their respective costs, including attorneys' fees.

MONETARY FEES

The NASD shall retain \$400.00 of the \$500.00 previously deposited by the Maruscak as the costs of the one (1) hearing session conducted in this matter. The NASD shall refund \$100.00 to Maruscak, and, in addition, Merrill Lynch shall pay \$200.00 to Maruscak to represent one-half of the costs associated with this matter.

ARBITRATOR'S SIGNATURE


Joseph R. Lally, Esq.

Date of Decision: 9/17/91