

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
Henry Gaulton and Charline Gaulton, JTWROS :
Claimants :
vs. : CASE #91-01667
Merrill Lynch, Pierce, Fenner & Smith, Inc. : AWARD
David Feigelman :
Respondents :

CASE SUMMARY

Claimants Henry Gaulton and Charline Gaulton, pro se, in a claim filed with the National Association of Securities Dealers, Inc. on May 30, 1991, alleged that Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc. and David Feigelman negligently and deliberately misrepresented Bank of New England stock, inducing Claimants to invest in the stock which they allege was unsuitable for them.

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and David Feigelman, represented by in-house counsel from Merrill Lynch, Christopher Cavuoti, Esq., maintained that Claimants knew and assumed the risk of market action losses, failed to mitigate their damages incurred, and ratified the acts of the Respondents.

RELIEF REQUESTED

Claimants requested damages of Four Thousand One Hundred Forty-Five Dollars and No Cents (\$4,145.00), plus commissions paid and the costs of arbitration.

Respondents request that the claims of the Claimants be dismissed and that costs be assessed against the Claimants.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Robert A. Kasky, was selected to review and determine the matter in controversy between the parties set forth

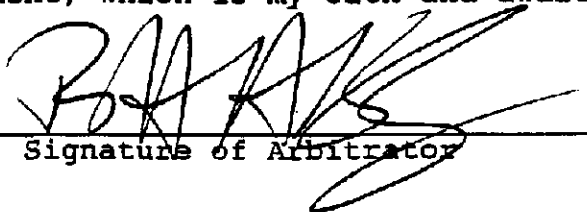
in submissions to Arbitration signed by the Claimants on June 17, 1991 and by the Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. August 1, 1991 and David Feigelman on July 29, 1991;

And, 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. The claims of the Claimants against Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc. and David Feigelman be and hereby are dismissed.
2. The parties shall bear their respective costs.
3. The One Hundred Twenty-Five Dollar (\$125) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. and is assessed against Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc. who shall pay directly to the Claimants One Hundred Twenty-Five Dollars (\$125) as reimbursement of the filing fee.

AFFIRMATION

I, ROBERT A. KASKY, 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

DATED: December 5, 1991