

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Charles & Farris Chapin

91-01744

Name of Respondent(s)

Merrill Lynch Pierce Fenner & Smith, Inc

REPRESENTATION

For Claimant: L. Bruce McDaniel, Esq. of DeBank, McDaniel & Anderson.

For Respondent: William J. Crowe, Jr., Esq., In-house counsel for Merrill Lynch Pierce Fenner & Smith, Inc.

CASE INFORMATION

Statement of Claim filed: June 14, 1991.

Claimants' Submission Agreement signed on: May 30, 1991.

Respondent's Submission Agreement and Corporate Acknowledgment signed on: August 2, 1991 by William J. Crowe, Jr. on behalf of the firm.

Statement of Answer of Respondent dated: August 2, 1991.

HEARING INFORMATION

Hearing Date/Sessions: December 5, 1991-Two (2) Sessions.

Hearing Date/Sessions: December 6, 1991-Two (2) Sessions.

Hearing Location: Raleigh, NC.

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CASE SUMMARY

Claimants, Charles T. and Farris S. Chapin, alleged-1. Federal Securities Fraud; 2. RICO Violations; 3. State Securities Fraud; 4. Common Law Fraud; 5. Breach of fiduciary duty; 6. Negligence and 7. unfair trade practices in connection with the handling of their securities account at, Merrill Lynch Pierce Fenner & Smith, Inc., Respondent.

Respondent, Merrill Lynch Pierce Fenner & Smith, Inc., denied any instance of wrongdoing or liability to Claimants and maintained that all trade decisions were made by Claimant, Charles T. Chapin for Claimants' joint account and that Claimants never complained about nor disaffirm any trade during the course of the transactions effectuated in their account. Respondent further maintained that Claimants' Claims are barred by equitable principles of ratification, estoppel, waiver, adoption and laches.

RELIEF REQUESTED

Claimants requested: an Award of actual damages of \$125,852.00; punitive damages of \$1,000,000.00; RICO damages of \$377,556.00; unspecified attorneys fees and \$2,500.00 for other costs, expert testimony and filing fees.

Respondent requested: dismissal of Claimants' Claims and that costs be assessed against Claimants,

OTHER ISSUES CONSIDERED AND DETERMINED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

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

1. All Claims of the Claimants, Charles J. and Farris S. Chapin, shall be and are hereby denied in all respects;
2. The parties shall each bear their own costs including attorneys fees;

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FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD, Inc. shall retain the \$250.00 non-refundable filing fee previously deposited by Claimants and the following Forum Fees are assessed:

4 Sessions X \$1,000.00 = \$4,000.00

Forum fees assessed against:

1- Respondent, Merrill Lynch Pierce Fenner & Smith, Inc. in the amount of \$3,000.00;

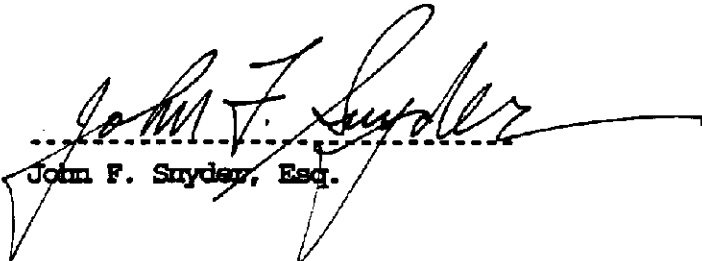
2.- Respondent, Merrill Lynch Pierce Fenner & Smith, Inc. shall pay to Claimant the sum of \$1,000.00 which represents the hearing session deposit previously deposited by Claimants and retained by the NASD.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

Name	Public/Industry
John F. Snyder, Esq.	Public/Chairman
Thomas C. Looney	Industry/Panelist
Leonard Lansman	Public/Panelist

Concurring Arbitrator's Signature


.....
John F. Snyder, Esq.

Dated: January 6, 1992

AWARD-#91-01744

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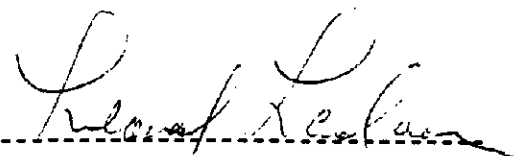
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Leonard Lansman	Public/Panelist

Concurring Arbitrator's Signature



Leonard Lansman

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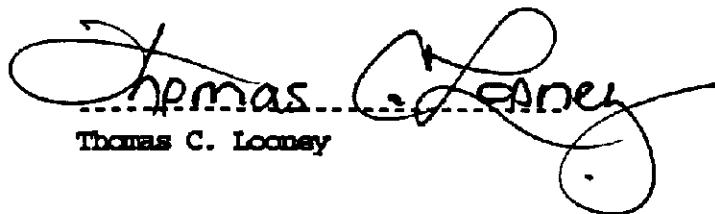
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Concurring Arbitrator's Signature


Thomas C. Looney

Dated: January 6, 1992