

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Edge N. Redrick

91-03725

Name of Respondent(s)

Merrill Lynch Pierce Fenner & Smith Inc
Theodore D. Williamson, Jr.

REPRESENTATION

For Claimant: Charles W. Getman, Esq. of Cohen Swados Wright Hanifin Bradford & Brett.

For Respondent, Merrill Lynch: Arthur H. Sobel, Esq. of Merrill Lynch

For Respondent, Theodore D. Williamson, Jr: Paul K. Stecker, Esq. of Phillips, Lytle, Hitchcock, Blaine & Huber, and Arthur H. Sobel, Esq.

CASE INFORMATION

Statement of Claim filed: November 26, 1991.

Claimant's Submission Agreement signed on: November 8, 1991.

Statement of Answer filed by Respondent, Merrill Lynch Pierce Fenner & Smith on: March 16, 1992.

Respondent, Merrill Lynch, Pierce Fenner & Smith's Submission Agreement signed on: March 12, 1992.

Statement of Answer filed by Respondent, Theodore D. Williamson, Jr. on: January 27, 1992.

Respondent, Theodore D. Williamson, Jr. Submission Agreement signed on: January 23, 1992.

HEARING INFORMATION

Hearing Date/Session: October 27, 1992 - One Session.

Hearing Location: Hyatt Regency - Buffalo, NY

CASE SUMMARY

Claimant alleged that she is an unsophisticated investor whose stated investment objective was safety, liquidity and some income. Claimant alleged that she relied on Respondent, Theodore D. Williamson, Jr.'s ("Williamson") advice and assurance that her portfolio was satisfactory.

Claimant alleged that she lost money in her equity account at Respondent, Merrill Lynch Pierce Fenner and Smith ("Merrill") when her account was churned. Claimant alleged that the trades in her account were done without soliciting her authorization. Claimant alleged that excessive commissions were generated. Claimant alleged that Williamson abused his fiduciary relationship with her. Claimant alleged that the limited partnerships which were purchased for her account were unsuitable for her account in that they were illiquid, and long-term, contrary to her stated investment objectives.

Respondents maintain that the Claimant is not unsophisticated and that she knew what she wanted. Respondents maintain that Claimant received monthly account statements and prospectuses. Respondents maintain that Claimant spoke to Williamson about each investment and that each investment was in line with her stated investment objectives. Respondents maintain that Claimant wanted to earn money and that Williamson complied with her objectives by investing her account into stocks.

RELIEF REQUESTED

Claimant requested damages in the amount of \$250,000.00 plus interest, attorneys fees, costs and punitive damages in the amount of \$150,000.00.

Respondents requested that the award be dismissed in its entirety and that costs, fees and disbursements are assessed against the Claimant.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may 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 arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant is hereby awarded the sum of \$48,898.00 which shall be paid as follows:
 - a. Respondent, Theodore D. Williamson Jr. acting individually and as agent for Respondent, Merrill, is hereby liable and shall pay to the Claimant the sum of \$12,600.00 (Twelve Thousand Six Hundred Dollars and No Cents).
 - b. Respondent, Merrill, is hereby liable and shall pay to the Claimant the sum of \$36,298.00 (Thirty Six Thousand Two Hundred Ninety Eight Dollars and No Cents).
2. The Claim for interest and punitive damages are hereby denied.
3. The parties shall bear their respective costs of this action, including attorneys fees.

FORUM FEES

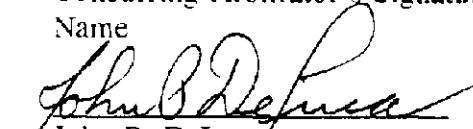
Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

Non-refundable filing fee: \$200.00
Hearing Session fees: \$1500.00 (2 Sessions x \$750.00)

1. All forum fees in the amount of \$1,700.00 are hereby assessed against the Respondent, Merrill Lynch.
2. Respondent, Merrill Lynch is hereby directed to re-imburse to the Claimant the amount of \$950.00 Claimant previously deposited with the NASD, Inc..
3. Respondent, Merrill Lynch is hereby directed to pay the balance of \$750.00 the NASD, Inc..

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

Concurring Arbitrator's Signature
Name


John P. DeLuca

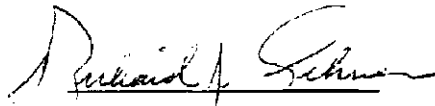
Public Panelist

Date of Decision: December 11, 1992

STATE OF
COUNTY OF

S.S.:

On this 8th day of Dec., 1992 before me personally appeared John P. DeLuca known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.



RICHARD J. LEHNER
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN ERIE COUNTY
My Commission expires Dec. 31, 1994

Consenting Arbitrator

Industry Panelist

Kirstin M. Jahn
Kirstin M. Jahn

Date of Decision: December 11, 1992

STATE OF NY
COUNTY OF Onondaga

s.s.:

On this 7th day of December, 1992, before me personally appeared Kirstin M. Jahn known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

Robert E. Hornik, Jr.
ROBERT E. HORNİK, JR.
Notary Public in the State of New York
Qualified in Onondaga County No. 4831257
My Commission Expires 6/30/93

Concurring Arbitrator
Name

Public Chairperson

James G. Parker
James G. Parker

Date of Decision: December 11, 1992

STATE OF
COUNTY OF

S.S.:

On this 7th day of February, 19 93, before me personally appeared James G. Parker known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

Robin A. Abram

Notary Public
State of New York
Commission Expires 1994