

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Press-Tec, Inc.
Jack E. Alsted

92-02055

Name of Respondents

Merrill Lynch, Pierce Fenner & Smith, Inc.
Conrad W. Randell

REPRESENTATION

For Claimants at the hearing: David W. Dunn, Esq. of Davis Hockenberg Wine Brown Koehn.
Des Moines, Iowa.

For Respondents at the hearing: Michael E. Olney, Esq. of Merrill Lynch Pierce Fenner &
Smith, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed: June 18, 1992.

Claimant Jack Alsted's Submission Agreement signed on: June 16, 1992. Claimant Press-Tec.
Inc.'s Submission Agreement signed on: June 16, 1992 by Jack Alsted, President.

Joint Statement of Answer filed by Respondents on: August 13, 1992.

Respondent, Merrill Lynch Pierce Fenner & Smith, Inc.'s Submission Agreement signed on:
August 10, 1992. Respondent Conrad W. (Wes) Randell's Submission Agreement signed on:
July 20, 1992.

HEARING INFORMATION

Pre-Hearing Conference: February 23, 1993 for one (1) session with the Chairman.

Hearing Dates/Sessions: February 9, 1993 for two (2) sessions:
March 10, 1993 for one (1) session.

Hearing Location: Omaha, Nebraska.

CASE SUMMARY

Claimants Jack Alsted and Press-Tec, Inc. ("Claimants") alleged that Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch"), through its agent, Respondent Conrad Randell ("Randell") engaged in a high-risk transaction, a short sale of stock in Synergen, which was unsuitable for the Claimants. Claimants also alleged that in addition to the unsuitable nature of the trade, Randell failed to execute the standing order to liquidate the position if it moved against the Claimants by two points or more. Claimants further alleged that the short sale was solicited and executed by Randell in order to generate commissions when a similar strategy with much less risk could have been executed by purchasing put options.

Respondents Merrill Lynch and Randell generally denied the allegations set forth in the Statement of Claim. More specifically, Merrill Lynch and Randell denied the allegation of suitability, and denied the allegation that there was any standing order to close out the short position if it rose by two points.

RELIEF REQUESTED

Claimants requested judgment against Merrill Lynch and Randell, jointly and severally, in an amount not less than \$35,000.00.

Respondents requested that the Statement of Claim be denied, and that they be awarded their reasonable costs and expenses incurred, together with such other and further relief as is deemed just and proper.

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 arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1 The Claimant's Statement of Claim is denied:

2. Each of the parties shall bear their own costs and expenses incurred other than those specifically enumerated for herein.

FORUM FEES

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

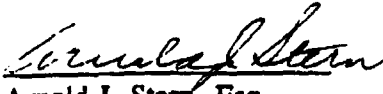
3 sessions X \$400 = \$1200 minus hearing session deposit of \$400 = \$800 plus \$300 for the pre-hearing conference session = net \$1100 due.

Additional Forum fees Assessed Against Claimant Jack Alsted in the sum of \$350 and against Respondents Merrill Lynch Pierce Fenner & Smith, Inc. and Conrad Randell, jointly and severally, in the sum of \$750.

The additional Forum Fees assessed by the panel are payable to the National Association of Securities Dealers, Inc.

By The Arbitration Panel:

Dated:


Arnold J. Stern, Esq.
Presiding, Public Arbitrator

APRIL 2, '993

Joseph Kirshenbaum
Public Arbitrator

Mary K. Fay
Industry Arbitrator

Date Award Served By The NASD: _____

1. The Claimant's Statement of Claim is denied;
2. Each of the parties shall bear their own costs and expenses incurred other than those specifically enumerated for herein.

FORUM FEES

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

3 sessions X \$400 = \$1200 minus hearing session deposit of \$400 = \$800 plus \$300 for the pre-hearing conference session = net \$1100 due.

Additional Forum fees Assessed Against Claimant Jack Alsted in the sum of \$350 and against Respondents Merrill Lynch Pierce Fenner & Smith, Inc. and Conrad Randell, jointly and severally, in the sum of \$750.

The additional Forum Fees assessed by the panel are payable to the National Association of Securities Dealers, Inc.

By The Arbitration Panel:

Dated:

Arnold J. Stern, Esq.
Presiding, Public Arbitrator



Joseph Kirshenbaum
Public Arbitrator

4/12/93

Mary K. Fay
Industry Arbitrator

Date Award Served By The NASD: _____