

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Charles M. Matter, Trustee
of The Penelope Wendel Matter Trust
and The Diane Wendel Edwards Trust

NASD Arbitration
No. 93-01037

Name of Respondent(s)

Merrill Lynch, Pierce, Fenner & Smith, Inc.
James L. Harbour

REPRESENTATION

For Claimant: Charles M. Matter, San Marino, California

For Respondents: Charles L. Henderson, Esq., Merrill Lynch, Pierce,
Fenner & Smith, Inc., New York, New York

CASE INFORMATION

Statement of Claim filed: March 5, 1993

Claimant's Submission Agreements signed: April 12, 1993

Joint Statement of Answer filed by Respondents: June 11, 1993

Respondents' Submission Agreements signed as follows:

Merrill Lynch, Pierce, Fenner & Smith, Inc. (Merrill Lynch):
May 20, 1993

James L. Harbour: May 25, 1993

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): March 8, 1994 (one session)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant Charles M. Matter, trustee of the Penelope Wendel

Matter Trust and Diane Wendel Edwards Trust, alleged that Claimant's trust accounts suffered monetary losses because of misrepresentations made by Respondents regarding Claimant's investment in a Merrill Lynch fund known as the Income Opportunity Fund (fund).

Respondents denied Claimant's allegations of wrongdoing and alleged that Respondent James L. Harbour explained the fund to Mr. Matter and discussed the various features associated with Claimant's investment. Respondents also asserted affirmative defenses.

RELIEF REQUESTED

Claimant requested reimbursement of \$28,111.26, interest in the amount of \$20,000.00 and attorneys' fees in the amount of \$2,500.00.

Respondents requested dismissal of Claimant's claims and requested costs and expenses.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 National Association of Securities Dealers, Inc. (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 by Claimant are dismissed.
2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, forum fees are to be split between Claimant Charles M. Matter and Respondent Merrill Lynch and are calculated as follows:

One hearing session @ \$400.00/session	=	\$400.00
Total fees assessed	=	\$400.00
Claimant's share (50%)	=	\$200.00
Credit for hearing deposit	=	\$400.00
Refund amount	=	\$200.00

Merrill Lynch's share (50%)	=	\$200.00
Balance due	=	\$200.00

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

ARBITRATORS

Name	Public / Industry
Elliott Finkel, Esq.	Public Arbitrator
Harry Miller	Public Arbitrator
Robert Taylor	Industry Arbitrator

Concurring Arbitrators' Signatures

Elliott Finkel, Esq.

Harry Miller

Robert Taylor

Date of Decision: _____

Served 4/19/94