

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Paul D. Lundblad

93-04575

Name of Respondent(s)

Merrill Lynch Pierce Fenner & Smith Inc
Michael E. Walsh

REPRESENTATION

For Claimant: David J. Myers, Esq. of Atlanta, GA.

For Respondents: Jonathan A. Schorr, Esq: in-house counsel at Merrill Lynch
Pierce Fenner & Smith, Inc.

CASE INFORMATION

Statement of Claim filed: November 2, 1993.

Claimant's Submission Agreement signed on: October 21, 1993.

Joint Statement of Answer filed by Respondents Merrill Lynch Pierce Fenner &
Smith, Inc. and Michael E. Walsh on January 11, 1994.

Respondent, Merrill Lynch Pierce Fenner & Smith, Inc.'s Submission Agreement
signed on: January 10, 1994.

Respondent Michael E. Walsh did not execute a Submission Agreement as
required pursuant to Section 25 of the Code of Arbitration Procedure.

HEARING INFORMATION

Hearing Date(s)/Sessions:	August 18, 1994	2 sessions
	August 19, 1994	2 sessions

Hearing Location: NASD offices located in Atlanta, GA.

CASE SUMMARY

Claimant alleged that Merrill Lynch Pierce Fenner & Smith, Inc., through its agent Michael E. Walsh, erroneously failed to follow Paul D. Lundblad's instructions to roll over Employee Stock Option ("ESOP") shares into an Individual Retirement Account ("IRA"), and instead put the ESOP shares into a non-IRA account. Claimant further alleged that Respondents' failure to follow Mr Lundblad's instructions resulted in income tax and early withdrawal penalties being assessed against Mr. Lundblad, which should be reimbursed by Merrill Lynch Pierce Fenner & Smith, Inc. and Michael E. Walsh.

Respondents maintain that the ESOP shares were deposited pursuant to Claimant's direction and authorization and that he subsequently and repeatedly ratified the deposits. Respondents also maintain that Claimant's claim constitutes nothing more than an attempt to shift responsibility for his own mistake to Respondent Merrill Lynch Pierce Fenner & Smith, Inc. Respondents further maintain they acted properly and in good faith with regard to Claimant's account and no timely complaint or objection about Claimant's account was ever made to Merrill Lynch Pierce Fenner & Smith, Inc. by Claimant.

RELIEF REQUESTED

Claimant requested damages of \$15,160.00 plus attorney's fees, interest and costs.

Respondents requested that the Statement of Claim be dismissed in its entirety and that Respondents be awarded attorney's fees and costs incurred in connection with the proceeding.

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. All claims by the Claimant against both Respondents be and hereby are dismissed in all respects.

2. Each party shall bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed.

4 sessions x \$300.00 = \$1,200.00 less Claimant's hearing
session deposit (\$300.00) = net \$900.00 due.

Forum fees Assessed Against:

The Claimant be and hereby is liable and shall pay to the NASD the sum of \$300.00 representing the balance of the forum fees and the Respondents be and hereby are liable jointly and severally and shall pay to the NASD the sum of \$600.00 representing the balance of the forum fees due.

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

Arbitrator's Signature

Name

Public/Industry



Public

Daniel E. Gulden, Esq.

Date of Decision: October 24, 1994