

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITY DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Rita Patin

94-00581

Name of Respondents

Merrill Lynch Pierce Fenner & Smith, Inc.

Representation

For Claimant: Rita Patin was represented by Jeffrey Ackermann, Esq. of Durio, McGoffin & Stagg, located in Lafayette, Louisiana

For Respondents: Merrill Lynch Pierce Fenner & Smith, Inc. was represented by Richard F. Zimmerman, Jr., Esq. of Kantrow, Spaht, Weaver & Blitzer, located in Baton Rouge, Louisiana.

Case Information

Statement of Claim filed: February 16, 1994.

Claimant's Submission Agreement signed on: March 9, 1994.

Statement of Answer filed on: May 27, 1994.

Respondent's Submission Agreement executed on: May 31, 1994 by Martin S. Cohen, Vice-President.

Hearing Information

Pre Hearing Conference: None Held.

Hearing Date/Sessions: October 3, 1995 for Three (3) sessions.

Hearing Location: New Orleans, Louisiana

Case Summary

The Claimant, Rita Patin, alleges that her account representative wrongfully induced her to enter

into investment transactions which was unsuitable to her financial condition and investment objectives through material misrepresentations and omissions. Specifically at issue are: Ms. Patin's May 1989 surrender of an Executive Life Insurance Co. annuity contract and the alleged reinvestment of the proceeds in July of 1989 into a Louisiana State Agricultural Revenue Bond; Ms. Patin's purchase of two certificates of deposit in May of 1988, one issued by Lincoln Savings & Loan and the other issued by United Savings Association of Houston Texas; and Ms. Patin's April 1990 sale of a zero coupon bond of Gibraltar Federal Savings and Loan in her IRA account, the transfer of the proceeds of the sale to her cash management account and the April 1990 purchase of units of Smallcap World Fund.

The Respondent, Merrill Lynch Pierce Fenner & Smith, Inc. generally denies the Claimant's allegations and affirmatively pleads that Claimant's action is barred by the passage of time, that claimant has ratified the transactions at issue and has waived any claims which she may have.

Relief Requested

Claimant Rita Patin seeks the recovery of :

\$ 14,122.20	Alleged Loss on Louisiana Agricultural Bonds
13,510.93	Alleged Loss on Lincoln and United CDs
4,118.80	Alleged Loss on Gibraltar CD in IRA
\$ 31,751.93	Total Claim

together with costs and attorneys fees.

Respondents Merrill Lynch Pierce Fenner & Smith requests that all claims be denied.

Award

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

1. Each and every claim of the Claimant, Rita Patin, be and each of them is hereby dismissed with prejudice and denied;
2. The parties shall bear their own costs of arbitration, including any attorneys' fees, except for those specifically enumerated herein;
3. Any relief not specifically awarded is hereby denied.

Other Costs

The NASD shall retain the \$500.00 postponement fee previously paid by Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. In addition, Claimant Rita Patin is liable for and shall pay to the NASD the sum of \$500.00 for the postponement of the hearing set for April 18, 1995. Any additional postponement fees are waived.

Forum Fees

Pursuant to Section 43(c) of the Code of Arbitration, the following Forum Fees are assessed: Three (3) hearing Sessions @ \$500.00 per session = \$1,500.00.

The National Association of Securities Dealers, Inc. shall retain the \$150.00 claim filing fee and the \$500.00 hearing session deposit previously deposited by the Claimant, Rita Patin. The Claimant, Rita Patin, is liable for and shall pay the NASD the sum of \$1,000.00 as forum fees.

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

Concurring Arbitrators' Signatures

Date

/s/ Edward J. Gay, III, Esq.
Edward J. Gay, III, Esq.
Public Arbitrator
Chairperson

December 19, 1995

/s/ Clayton J. Borne, Jr.
Clayton J. Borne, Jr.
Public Arbitrator

December 21, 1995

/s/ Charles E. Melancon, Jr.
Charles E. Melancon, Jr.
Industry Arbitrator

December 20, 1995

For NASD Use Only
Date Served: December 26, 1995