

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Jan L. Greco

94-02266

Name of Respondents

Merrill Lynch Pierce Fenner & Smith Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc., on June 15, 1994, Claimant, Jan L. Greco, who appeared Pro Se, alleged that Respondent Merrill Lynch, Pierce, Fenner and Smith, Inc., made misrepresentations to induce her to purchase securities. Claimant further alleged that on August 9, 1993, after being assured that her principal would be safe, she purchased \$15,000.00 worth of the Merrill Lynch Corporate Bond Fund, High Income, Port Class B, through Respondent. Claimant contended that she later purchased \$15,000 worth of Fortress Utility F.D.S.B.I. and \$37,500.00 worth of Alliance Bond Fund, U.S. Government Port, C.L.C., after being assured of safety of principal. Claimant further contended that she has suffered a loss on the above referenced investment for which Respondents should be liable.

Respondent Merrill Lynch, Pierce, Fenner and Smith, Inc., through its representative and in-house counsel, Kathleen A. Cromie, Esq., New York, N.Y., maintained that at no time did Claimant mention preservation of capital as her primary objective. Respondent further maintained that Claimant's objective was income, which is also the investment objective of the mutual funds she purchased. Respondent contended that it showed Claimant the Morningstar reports for each fund. Respondent further contended that it explained to Claimant that Mutual Funds are long term investments, that they are not insured, that their share prices do fluctuate, and that past performance is not an indication of future results, and accordingly, it should not be held liable.

RELIEF REQUESTED

Claimant, Jan L. Greco, requested \$3,640.00 in actual damages.

Respondents, Merrill Lynch, Pierce, Fenner and Smith, Inc., requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc., Code of Arbitration Procedure, a single Public Arbitrator, Joseph L. Bernstein, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 3, 1994 and not by Respondent as required by Sections 12 and 13 of the NASD Code of Arbitration Procedure.

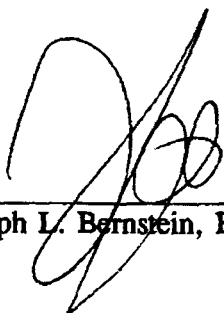
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Merrill Lynch, Pierce, Fenner and Smith, Inc. is liable and shall pay to the Claimant, Jan L. Greco, \$1,820.00 in actual damages.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc., by the Claimant, Jan L. Greco, shall be retained by the NASD, Inc. Respondent, Merrill Lynch, Pierce, Fenner and Smith, Inc., is liable and shall pay to the Claimant \$62.50 as partial reimbursement of the filing fee.

Page Three
Award 94-02266

AFFIRMATION

I, Joseph L. Bernstein, Esq., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Joseph L. Bernstein, Esq.

Date of Decision: July 28, 1995