

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Marie K. Nachman

95-00654

Name of Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc.
Saly Glassman
Lawrence Ettenger

REPRESENTATION

For Claimant Marie K. Nachman ("Claimant"): appeared pro se.

For Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch"), Saly Glassman ("Glassman") and Lawrence Ettenger ("Ettenger"): Michael Olney, Senior Counsel, Litigation Department for Merrill Lynch, Pierce, Fenner & Smith, Inc. of New York, NY.

CASE INFORMATION

Statement of Claim filed: February 7, 1995.
Claimant's Submission Agreement signed on: January 23, 1995.

Joint Statement of Answer filed by Merrill Lynch, Glassman and Ettenger (collectively "Respondents") on: May 1, 1995.
Glassman's Submission Agreement signed on: May 1, 1995.
Ettenger's Submission Agreement signed on: April 28, 1995.
Merrill Lynch's Submission Agreement signed on: May 8, 1995.

HEARING INFORMATION

Hearing Date/Sessions: October 27, 1995/two sessions.

Hearing Location: National Association of Securities Dealers, Inc. ("NASD") District Office, Philadelphia, PA.

CASE SUMMARY

Claimant alleged, among other things, in her claim that on or about March 27, 1992, she and her husband, Jack Nachman ("husband") opened an account with Merrill Lynch. Claimant alleged that Glassman met with Claimant and her husband to discuss their investment goals. On March 26, 1992, Glassman sent Claimant a letter outlining Glassman's recommendations for an investment strategy. Claimant alleged that her Putnam High Income Government Trust ("Putnam") should not have been sold and the proceeds used to invest in the Merrill Lynch Short Term Global Income Fund.

Claimant alleged that the Treasury Notes should not have been sold prematurely at a loss to her account. Claimant alleged that she authorized the purchase of municipal bonds only if there was no charge to her. Claimant also alleged that Glassman inflated her credentials and Claimant would not have entrusted her portfolio to Glassman otherwise. Claimant alleged at the hearing that stocks were purchased in the Blackrock Investment Quality Term Trust, Inc. and the Royal Bank of Scotland without her authorization and against her express wishes that she have no stocks in her portfolio because stocks are too risky. Claimant alleged that Ettenger failed to supervise Glassman effectively. Claimant alleged that the actions of Respondents damaged her financially.

Respondents denied all allegations of wrong-doing asserted by Claimant and specifically maintained, among other things, that all transactions were suitable and there were no misrepresentations to Claimant. Respondents maintained that Claimant's Putnam shares were sold at \$9.23 per share on April 14, 1992 and as of April 27, 1995, those shares closed at \$8.30 per share. Respondents maintained that by following Respondent's advice, Claimant preserved nine percent (9%) of her principal which would have been lost over the same time period due to decreasing value. Respondents maintained that there were no losses as a result of the sale of Claimant's Treasury bills. The transaction resulted in an increase in Claimant's annual income and a decrease in her tax liability due to an investment in tax exempt municipal bonds. Respondents maintained that the Claimant's Merrill Lynch portfolio account performed better and resulted in additional income for Claimant, when compared to Claimant's original portfolio.

RELIEF REQUESTED

Claimant requested at the hearing, \$16,825.00 in actual damages, plus fees and costs.

Respondents requested at the hearing, that the Statement of Claim be denied, as well as all mention of this claim removed from the records of both Glassman and Ettenger with the Central Registration Depository ("CRD") of the National Association of Securities Dealers, Inc.

OTHER ISSUES CONSIDERED & DECIDED

Claimant filed a request to introduce an additional witness. The Arbitrators fully considered the issue and allowed the request. 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.

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. Claimant's Claim is denied in its entirety.
2. The parties shall bear their respective costs, except for those as stated herein.
3. The Panel finds that Respondents are guilty of no wrongdoing and specifically finds that the Respondents handled Claimant's account properly.

FORUM FEES

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

2 Sessions X \$400 = \$800.00 minus hearing session deposit of \$400 previously paid by Claimant = \$400.00 net due.

Forum fees are assessed against Claimant and Respondents in equal amounts. Claimant to receive credit for her hearing deposit of \$400.00 noted above. Respondents are jointly and severally assessed forum fees in the amount of \$400.00.

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

By the Arbitration Panel:

Date:

11/2/95



John J. Jordan, Presiding
Public Arbitrator

Patrick Sean Dolan
Public Arbitrator

Michael D. Neft
Industry Arbitrator

Date Award Served by the NASD: November 7, 1995

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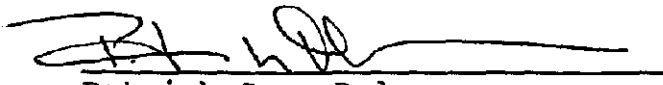
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Public Arbitrator

Nov. 2nd, 1995


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