

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Merrill Lynch, Pierce, Fenner & Smith, Inc.

95-01663

Name of Respondent

Jaffer Ead

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 3, 1995, Claimant Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch"), through its representative, A. Michael Ferrill, Esq., of Cox & Smith, Inc., of San Antonio, Texas, alleged that in August of 1993, Jaffer Ead ("Respondent") opened a Cash Management Account ("CMA"), and began making deposits, a portion of which would be returned immediately. Claimant further alleged that by the time it discovered the deposit pattern, a debit had resulted. Claimant contended that Respondent acknowledged his indebtedness to Claimant in correspondence, and that due to the pattern of activity in the CMA, Claimant's CMA service was terminated. Claimant further contended that as a result of the above, it has suffered a loss for which the Respondent should be held liable.

Respondent Jaffer Ead failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Merrill Lynch, Pierce, Fenner & Smith, Inc., requested \$2,975.60 in actual damages, plus pre-judgment interest, and reasonable costs of collection and attorneys' fees.

Respondent Jaffer Ead failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondent Jaffer Ead, was served by regular mail and given an opportunity to respond, which he failed to do. In addition, an overdue answer notice and notice of the identity of the Arbitrator were sent certified mail and service was effected, as evidenced by the returned signature card on file at the NASD.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent Jaffer Ead, had notice of the claim, and was required to submit to this arbitration proceeding; and is therefore bound by the Arbitrator's ruling and determination.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, David G. Beerbower, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Merrill Lynch, Pierce, Fenner & Smith, Inc., on March 10, 1995, and not by the Respondent Jaffer Ead, 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 Jaffer Ead is liable and shall pay to the Claimant Merrill Lynch, Pierce, Fenner & Smith, Inc., \$2,975.60 in actual damages.
2. Respondent Jaffer Ead is liable and shall pay to the Claimant Merrill Lynch, Pierce, Fenner & Smith, Inc., simple interest at the rate of 8.25% per annum from September 1, 1993 until the date of payment of the award.
3. Respondent Jaffer Ead is liable and shall pay to the Claimant Merrill Lynch, Pierce, Fenner & Smith, Inc., \$1,000.00 in attorneys' fees, pursuant to Texas Civil Practice and Remedies Code Section 31.002(e).
4. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Merrill Lynch, Pierce, Fenner & Smith, Inc., shall be retained by the NASD, Inc. The Respondent Jaffer Ead shall pay to the Claimant Merrill Lynch, Pierce, Fenner & Smith, Inc., \$575.00 as reimbursement of the filing fee.

AFFIRMATION


STATE OF Texas

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ss:

COUNTY OF Harris

I, David G. Beerbauer, 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.


Signature of Arbitrator

DATE OF DECISION: March 26, 1996