

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Albert, Maria and Arlene Sadek

95-05710

Name of Respondents

William King

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 12, 1995, Claimants Albert, Maria and Arlene Sadek, who appeared Pro Se, alleged through Albert Sadek ("A. Sadek"), that Respondent William King ("King"), a Merrill Lynch broker, made misleading statements and recommended unsuitable investments to their detriment. Claimants further alleged that when A. Sadek first met with King to open several accounts, he informed King that he was retired and wanted to make conservative investments that would outperform bank CD rates. Claimants contended that King made specific "buy and sell recommendations on certain stocks that proved to be completely and significantly wrong." Claimants further contended that King recommended and purchased a Muny Yield NY Insd FD ("Muny"), B.P. Prudhoe Bay RTY ("Prudhoe"), Paragon Trade Brands ("Paragon"), United Health Care ("Health Care"), and Syntex Corp. ("Syntex"). Claimants alleged that A. Sadek told King that he did not want long-term funds, but that Muny turned out to have a 10-25 year maturity and therefore, it was sold at a loss. Claimants further alleged that without authorization, King used the proceeds from that sale to purchase Muny II. Claimants contended that King made specific assurances regarding Prudhoe and Paragon, but that both stocks were also sold at a loss. Claimants further contended that their shares in Health Care and Syntex declined and that they followed King's advice and sold them, however, the shares subsequently rose in value. Claimants alleged that King consistently provided incorrect investment advice, and that as a result of the above, they have suffered losses for which the Respondent should be held liable.

Respondent William King, through his counsel, Todd A. Zuckerbrod, Esq., of Merrill Lynch Pierce Fenner & Smith, Inc., maintained that he serviced the joint accounts of Albert and Arlene Sadek, and Albert and Maria Sadek, and that A. Sadek advised him that he wanted conservative investments that would provide income. Respondent further maintained that Claimants never stated that they didn't want a long term fund and that he did advise them that Muny was long-term. Respondent contended that the sale of Muny I and the purchase of Muny II was fully authorized by Claimants. Respondent further contended that over a period of six years, A. Sadek had made 24 stock purchases with King and never complained of inappropriate investments. Respondent maintained that contrary to Claimants' statements, he never made specific assurances regarding Prudhoe and Health Care. Respondent further maintained that the fund and stocks purchased by Claimants were consistent with their investment objectives, and that as a result of the above, he should not be held liable.

RELIEF REQUESTED

Claimants Albert, Arlene and Maria Sadek, requested \$8,540.00 in actual damages.

Respondent William King, 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, Jacob Levine, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Albert and Maria Sadek on November 29, 1995, and Arlene Sadek on November 22, 1995, and by the Respondent William King on January 11, 1996.

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. The claims of the Claimants Albert, Arlene and Maria Sadek against Respondent William King are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Albert, Arlene and Maria Sadek shall be retained by the NASD, Inc. Respondent William King shall pay \$150.00 to the Claimants Albert, Arlene and Maria Sadek, as reimbursement of the NASD filing fee.

AFFIRMATION

STATE OF

FLORIDA

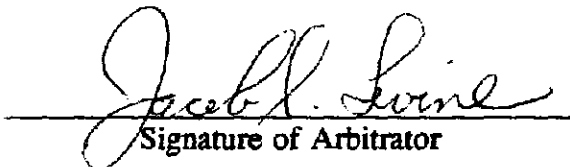
}
}

SS:

COUNTY OF

SEMINOLE

I, JACOB I. LEVINE, 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: April 29, 1996