

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimants

Berel Light
Sarah Light
Nochber Corp.
Cabot Consulting, Inc.

vs.

Case No.
96-04512

Name of Respondents

Merrill Lynch Pierce Fenner & Smith, Inc.
Abraham I. Fishweicker
William Hall

REPRESENTATION

For Claimants Berel and Sarah Light ("Light"), Nochber Corp. ("Nochber"), and Cabot Consulting, Inc. ("Cabot") (collectively "Claimants") appeared Ron Wohl, Esq. of the law offices of Finkelstein Bruckman Wohl Most & Rothman, located in New York, New York.

For Respondents Merrill Lynch Pierce Fenner & Smith, Inc. ("Merrill Lynch"), Abraham I. Fishweicker ("Fishweicker"), and William Hall ("Hall") (collectively "Respondents") appeared Robert E. Goldberg, Esq., Vice President and Senior Counsel for Merrill Lynch and Ralph M. Cursio, Esq., Vice President and Senior Counsel for Merrill Lynch, located in New York, New York.

CASE INFORMATION

Claimants' Statement of Claim was filed on October 10, 1996.

Berel Light's Submission Agreement was signed on October 10, 1996.

Sarah Light's Submission Agreement was signed on October 9, 1996.

Nochber's Submission Agreement was signed on October 10, 1996.

Cabot's Submission Agreement was signed on October 10, 1996.

A Joint Statement of Answer was filed by Merrill Lynch and Fishweicker on December 2, 1996.

Merrill Lynch's Submission Agreement was signed on December 2, 1996.

Fishweicker's Submission Agreement was signed on November 6, 1996.

Hall did not file a properly executed Submission Agreement.

HEARING INFORMATION

Pre-Hearing Conferences:	April 14, 1997	-	1 session
	August 18, 1997	-	1 session
	September 29, 1997	-	1 session
	October 27, 1998	-	1 session
Hearing Dates/Sessions:	September 24, 1997	-	1 session
	January 14, 1998	-	2 sessions
	January 15, 1998	-	2 sessions
	January 16, 1998	-	2 sessions
	January 20, 1998	-	2 sessions
	January 21, 1998	-	2 sessions
	January 22, 1998	-	2 sessions
	May 15, 1998	-	2 sessions
	May 18, 1998	-	1 session
	August 27, 1998	-	2 sessions
	August 28, 1998	-	2 sessions
	October 1, 1998	-	2 sessions
	November 23, 1998	-	2 sessions
	November 24, 1998	-	2 sessions
	November 25, 1998	-	1 session
	December 7, 1998	-	2 sessions
	December 8, 1998	-	2 sessions
	December 18, 1998	-	1 session

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimants alleged that, during 1993 and 1994, they owned five non-discretionary accounts at Merrill Lynch. Claimants contended that because the account activities were to be limited, Light did not open the monthly statements of account sent by Merrill Lynch. Claimants also contended that Fishweicker, knowing of the very limited use to which the accounts would be put determined to utilize the accounts and the funds available therein to trade in the accounts, manipulate the price of various securities, to maintain a market artificially in certain securities, and to park securities in the accounts as he speculated on the price of certain securities rising in the interim. Claimants alleged that Fishweicker engaged in churning and made unauthorized trades in their accounts. In addition, Claimants alleged that Hall and Merrill Lynch failed to supervise Fishweicker.

Respondents alleged that Berel Light was an aggressive trader who looked for short term profits and that many of the stocks he purchased related to rumors and takeover speculations he claimed to have heard. Respondents maintained that the accounts in issue were at all times controlled by Claimants in a manner consistent with an aggressive trading strategy and that all trades were discussed with and authorized by Claimants prior to entry and execution. Respondents also maintained that the majority of trades in Claimants' accounts were initiated by Claimants on an

unsolicited basis. Respondents denied that the Claimants' accounts were churned.

RELIEF REQUESTED

Claimants requested actual damages in excess of \$900,000.00 plus interest from 1993, punitive damages, a return of the commissions charged to Claimants' accounts, and other expenses, including attorneys' and expert fees.

Respondents requested that Claimants' claim for damages be denied in all respects and the costs of this proceeding, including attorney's fees, be assessed against Claimants.

OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with NASD Regulation, Inc.

By letter dated January 5, 1998, Claimants requested permission to amend the Statement of Claim to add Hall as a respondent. After due deliberation and consideration of all submissions and arguments heard regarding Claimants' Motion to Amend, the arbitrators determined to grant Claimants' Motion.

The panel made the following determinations concerning Hall, who did not file a Statement of Answer or a Submission Agreement:

1. Pursuant to Rule 10101 of the Code of Arbitration Procedure (the "Code"), the panel found subject matter jurisdiction over this entire controversy.
2. The panel found that Hall was a person associated with a member of the NASD at the time this controversy arose. Accordingly, the panel found personal jurisdiction over Hall pursuant to Rule 10301 of the Code.
3. The panel found that Hall was required to file a Statement of Answer and Submission Agreement with NASD Regulation pursuant to Rule 10314(b) of the Code. In this regard, the panel found that the Statement of Claim was properly served upon Hall pursuant to Rules 10328(b) and 10314(a) of the Code.

AWARD

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

1. The Claimants' claims are hereby dismissed in their entirety.

2. Based upon the merits of this case, all references to this arbitration shall be expunged from Fishweicker's CRD records by NASD Regulation, Inc.
3. Based upon the merits of this case, all references to this arbitration shall be expunged from Hall's CRD records by NASD Regulation, Inc.
4. After reviewing the record, including the pleadings and the post-hearing submissions of the parties as to attorneys' fees, and after noting and considering that Claimants and Respondents had both requested that attorneys' fees be awarded, the panel has determined that Claimants be and hereby are jointly and severally liable for and shall pay to Respondents the amount of \$100,000.00 in attorneys' fees.
5. All other requests are hereby denied.

OTHER COSTS

Pursuant to Rule 10333 of the Code, Merrill Lynch has paid NASD Regulation, Inc. the \$500.00 member surcharge previously invoiced.

FORUM FEES

Pursuant to Rule 10332(c) of the Code, the arbitrators have determined that NASD Regulation, Inc. will retain the \$250.00 non-refundable filing fee submitted by Claimants and have assessed the following forum fees:

2 Pre-Hearing Conferences x \$300.00	=	\$ 600.00
2 Pre-Hearing Conferences (with full panel)	=	\$ 2,000.00
32 Hearing Sessions	=	\$32,000.00
Hearing Session Deposit	=	\$ 1,000.00
Outstanding Forum Fees	=	\$33,600.00

Claimants be and hereby are jointly and severally liable for and shall pay NASD Regulation, Inc. the sum of \$33,600.00, representing the total amount of outstanding forum fees.

ARBITRATION PANEL

Robert Pincus, Esq.	-	Public Chairperson
Arthur T. Jacobs, PhD	-	Public Arbitrator
Richard S. Peskin, Esq.	-	Industry Arbitrator

CONCURRING ARBITRATOR'S SIGNATURE



Robert S. Pincus, Esq.

Date of decision: February 18, 1999

I, Robert S. Pincus, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

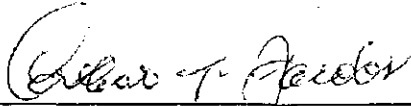


Robert S. Pincus, Esq.

ARBITRATION PANEL

Robert Pincus, Esq.	-	Public Chairperson
Arthur T. Jacobs, PhD	-	Public Arbitrator
Richard S. Peskin, Esq.	-	Industry Arbitrator

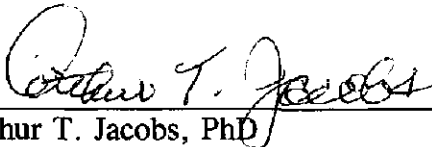
CONCURRING ARBITRATOR'S SIGNATURE



Arthur T. Jacobs, PhD

Date of decision: February 18, 1999

I, **Arthur T. Jacobs, PhD**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Arthur T. Jacobs, PhD

ARBITRATION PANEL

Robert Pincus, Esq.	-	Public Chairperson
Arthur T. Jacobs, PhD	-	Public Arbitrator
Richard S. Peskin, Esq.	-	Industry Arbitrator

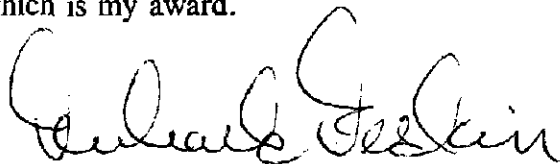
CONCURRING ARBITRATOR'S SIGNATURE



Richard S. Peskin, Esq.

Date of decision: February 18, 1999

I, **Richard S. Peskin, Esq.**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Richard S. Peskin, Esq.