

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Kunle and Stephanie Rosanwo

vs.

Case No. 99-02122

Name of Respondents

Merrill Lynch Pierce Fenner & Smith, Inc.
Sean P. Campbell, Esq.
David Dixon

REPRESENTATION OF PARTIES

Claimants, Kunle and Stephanie Rosanwo, hereinafter collectively referred to as "Claimants":
Joseph L. Demeo, Demeo & Associates, Boston, Massachusetts

Respondents, Merrill Lynch Pierce Fenner & Smith, Inc. ("Merrill"), Sean P. Campbell, Esq. ("Campbell"), and David Dixon ("Dixon"), hereinafter collectively referred to as "Respondents": Brian G. Killian, Esq. and Thomas P. Gorman, Esq., Sherin and Lodgen, Boston, Massachusetts

CASE INFORMATION

Statement of Claim filed on or about: May 7, 1999

Claimants signed the Uniform Submission Agreement: April 13, 1999

Statement of Answer filed by Respondents on or about: August 2, 1999

Respondent, Merrill, signed the Uniform Submission Agreement: June 24, 1999

Respondent, Campbell, signed the Uniform Submission Agreement: July 31, 1999

Respondent, Dixon, signed the Uniform Submission Agreement: June 24, 1999

CASE SUMMARY

Claimants alleged that they are husband and wife, and are black Americans who deposited most of their money, approximately \$180,000.00, in a cash management account with Merrill. Claimants further alleged, that without any legal basis, Respondents refused to allow Claimants to withdraw or transfer their money out of the account for thirty-eight days. Claimants asserted that Respondents treat Claimants with scorn and derision, and did not release their funds until a court issued an injunction ordering the release of Claimants' money. Claimants alleged conversion; discrimination based on race and national origin in violation of 42 U.S.C. Section 1981; breach of contract; breach of the covenant of good faith and fair dealing; intentional interference with advantageous business relationships;

defamation; infliction of emotional distress; and violation of section 2 of Chapter 93A of the Massachusetts General Laws.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted that Claimants complain that funds were deposited in their joint account in October, 1997 but were not paid out until November, 1997. Between the time of deposit and the time of payment, however, Respondents analyzed a number of indicia of irregularity -- red flags -- about the transaction. During that time, Respondents directed return of the deposited funds to the drawee banks for use by Claimants, an arrangement agreed to by Claimants. When the drawee banks did not respond, and upon receipt of a Ratification of Indorsements from Mrs. Rosanwo on November 24, 1997, Merrill paid the deposited funds to Claimants on that date, with interest.

Respondents raised the following affirmative defenses: contributory negligence; barred by estoppel or waiver; no proximate cause; under the Uniform Commercial Code, Claimants are barred from recovering consequential damages; statute of frauds; and that Claimants received their funds on November 24, 1997.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages

\$800,000.00

Costs of Arbitration

Amount Not Specified

Respondents requested that the claim be denied.

OTHER ISSUES CONSIDERED AND 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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondent Merrill is liable to and shall pay to Claimants \$379,138.00; and
2. That the Arbitrators found no evidence that Respondent Merrill nor its agents in any way acted with racial and/or national origin animus;
3. That Respondent Merrill is liable to and shall pay to Claimants \$4,515.00 in costs; and
4. That each party is responsible for their own costs and expenses, with the exception of the costs awarded immediately above and forum fees as specified below; and
5. That any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$375.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the event giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$3,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session with a single arbitrator x \$450.00	= \$450.00
Pre-hearing conference: February 10, 2000 1 session	

1 Pre-hearing session with Panel x \$1,200.00	= \$1,200.00
Pre-hearing conference: January 18, 2000 1 session	

8 Hearing sessions x \$1,200.00		= \$9,600.00
Hearing Dates:	April 26, 2000	2 sessions
	April 27, 2000	2 sessions
	April 28, 2000	2 sessions
	June 23, 2000	2 sessions
Total Forum Fees		= \$11,250.00

The Panel assessed \$5,625.00 of the forum fees jointly and severally to Claimants.
The Panel assessed \$5,625.00 of the forum fees jointly and severally to Respondents.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$375.00
Forum Fees	= \$5625.00
Total Fees	= \$6,000.00
Less payments	= \$1,575.00
Balance Due NASD Regulation, Inc.	= \$4,425.00

Respondent Merrill is solely liable for:


Member Fees	= \$6,100.00
Total Fees	= \$6,100.00
Less payments	= \$6,100.00
Balance Due NASD Regulation, Inc.	= \$ --0--

Respondents, Merrill, Campbell and Dixon, are jointly and severally liable for:

Forum Fees	= \$5,625.00
Balance Due NASD Regulation, Inc.	= \$5,625.00

All balances are due and payable to NASD Regulation, Inc.

CONCURRING ARBITRATORS' SIGNATURES


Byron Alexander Menides
Public Arbitrator, Presiding Chairman

July 11, 2000
Date Signed

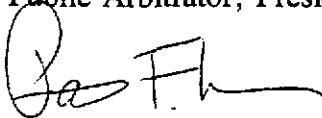
Patrick F. Moran
Public Arbitrator

Jeffrey S. Bradshaw
Industry Arbitrator

July 24, 2000
Date of Service (For NASD office use only)

CONCURRING ARBITRATORS' SIGNATURES

Byron Alexander Menides
Public Arbitrator, Presiding Chairman



Patrick F. Moran
Public Arbitrator

Jeffrey S. Bradshaw
Industry Arbitrator

Date Signed

7-10-00

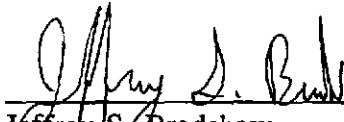
July 24, 2000
Date of Service (For NASD office use only)

CONCURRING ARBITRATORS' SIGNATURES

Byron Alexander Menides
Public Arbitrator, Presiding Chairman

Date Signed

Patrick F. Moran
Public Arbitrator


Jeffrey S. Bradshaw
Industry Arbitrator

7-17-00

July 24, 2000
Date of Service (For NASD office use only)