

**NASD DISPUTE RESOLUTION AWARD**  
**NASD DISPUTE RESOLUTION, INC.**

CASE: 99-05112

Michael J. Salkind, Claimant vs. Merrill Lynch, Pierce, Fenner & Smith, Inc., Mel Vogel and Adam Schoesler, Respondents.

---

**ATTORNEYS:**

Claimant, Michael J. Salkind, ("Claimant"), appeared Pro Se, Cleveland Heights, OH.

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc., ("Merrill Lynch"), Mel Vogel ("Vogel") and Adam Schoesler, ("Schoesler"), (collectively "Respondents"), appeared through Respondent Merrill Lynch's in-house counsel, Gregory A. Wiessner, Esq., New York, New York.

---

DATE FILED: November 12, 1999.

---

**CASE SUMMARY:** Claimant alleged that Vogel misrepresented the risk inherent in purchasing shares of MuniHoldings Insured Fund III. Claimant further alleged that he relied upon this misrepresentation in purchasing \$137,372.00 of the Fund's shares. Claimant maintained that the MuniHoldings Insured Fund III performed much worse than Vogel had explained to him that it would. Claimant stated that he suffered a financial loss as a result of the poor performance of the Fund.

---

**Claim Data**

Claim: \$22,604.00  
Filing Fees: \$.00

---

**Award Data**

Award: \$11,302.00  
Filing Fees: \$212.50

---

**AWARD:** The undersigned Arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondents are jointly and severally liable and shall pay to the Claimant \$11,302.00. 2) The \$425.00 filing fee previously deposited with NASD Dispute Resolution, Inc., by the Claimant, shall be retained by NASD Dispute Resolution, Inc. 3) Respondents are jointly and severally liable and shall pay Claimant \$212.50 as reimbursement of one-half of the filing fee.

---

**OTHER FEES:** Pursuant to Rule 10333 of the Code, Respondent, Merrill Lynch, has paid to NASD Dispute Resolution, Inc. the \$400.00 Member Surcharge previously invoiced.

---

**ARBITRATOR'S REPORT:**

Having reviewed all of the papers submitted by the parties, I have decided to award the Claimant, Mr. Michael J. Salkind, one-half of the \$22,604 he requested in his Statement of

Page Two  
Award 99-05112

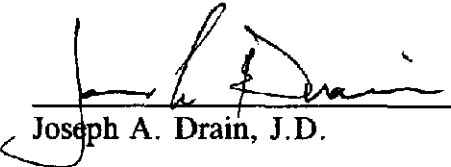
Claim. I find credible Mr. Salkind's statement that the MuniHoldings Insured Fund III, Inc. investment was at odds with the wish he expressed to Respondents. But I also find credible the Respondents' assertion that, before Mr. Salkind committed himself to the investment, he received a preliminary and final prospectus warning him of the very risks he complains of.

In its Answer to the Statement of Claim, Respondents requested that "all references to this matter be ordered expunged from Mr. Vogel's and Mr. Schoesler's individual registration records..." It is my understanding that, as an arbitrator, I do not have authority to order that. But I wish to make clear that I am very sympathetic to this requested relief, believing as I do that this case arises out of a simple, innocent misunderstanding on Respondents' part about Claimant's investment objectives and risk tolerances, and on Claimant's part about the nature of the MuniHoldings Insured Fund III, Inc. investment.

Page Three  
Award 99-05112

**AFFIRMATION**

I, Joseph A. Drain, do hereby affirm, upon my oath as Arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.

  
\_\_\_\_\_  
Joseph A. Drain, J.D.

April 11, 2001  
Date of Award