

II.

As of the date the Writ was served on it, Garnishee was in possession of monies and assets totaling \$108,798.83 belonging to Jerrold L. Gunn in account number 750-23B22 .

III.

As of the date the Writ was served on it, Garnishee was not in possession of any other effects belonging to Jerrold L. Gunn or Jerrold L. Gunn L.L.B.

IV.

As of this date, Garnishee is in possession of monies and assets totaling \$97,489.39 belonging to Jerrold L. Gunn in account number 750-23B22.

V.

As of this date, Garnishee is not in possession of any other effects belonging to Jerrold L. Gunn or Jerrold L. Gunn L.L.B.

VI.

Garnishee does not have any knowledge of any other person who is indebted to or has possession of any other effects belonging to Jerrold L. Gunn or Jerrold L. Gunn L.L.B.

Counterclaim

VII.


Garnishee has found it necessary to engage an attorney at law to represent it in this proceeding. Garnishee has contracted to pay reasonable attorney's fees, as well as costs, which the Garnishee is entitled to recover in accordance with Texas Rule of Civil Procedure 677. Reasonable attorney's fees would be a minimum of \$500.00. In addition, in the event of appeal to the Court of Appeals or Supreme Court, Garnishee would be further entitled to reasonable attorney's fees.

WHEREFORE, Merrill Lynch requests:

1. That all claims to the property be determined and adjudicated, and that Garnishee be discharged from all liability to Merrill Lynch, Pierce, Fenner & Smith, Inc. and Jerrold L. Gunn respecting the property.
2. That Garnishee recover against Merrill Lynch, Pierce, Fenner & Smith, Inc. and/or Jerrold L. Gunn, as provided in Rule 677 of the Texas Rules of Civil Procedure, costs and expenses, including reasonable attorney's fees, in a total amount to be determined by this Court.
3. For such other relief to which Garnishee may show itself properly entitled.

Respectfully submitted,

MATTHEWS, CARLTON, STEIN, SHIELDS,
PEARCE, DUNN & KNOTT, L.L.P.

By: 

KENNETH R. STEIN
STATE BAR NO. 19128300

ASHLEY B. McCLAIN
STATE BAR NO. 00797031

8131 LBJ Freeway, Suite 700
Dallas, Texas 75251
(972) 234-3400
(972) 234-1750 Telecopier

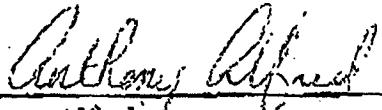
ATTORNEYS FOR GARNISHEE

VERIFICATION

STATE OF NEW YORK §


COUNTY OF NEW YORK §

BEFORE ME, the undersigned authority, on this day personally appeared Anthony Alfred, Compliance Analyst of Merrill Lynch, Pierce, Fenner & Smith, Inc., who after being duly sworn, stated: "I am the authorized representative of Merrill Lynch, Pierce, Fenner & Smith, Inc., the Garnishee in the above entitled and numbered cause. I have read the foregoing Answer to Writ of Garnishment and swear that all of the allegations of fact contained therein are within my personal knowledge and are true and correct."



Anthony Alfred

SUBSCRIBED AND SWORN TO BEFORE ME on the 26 day of FEB, 2001.



Notary Public, State of New York

MICHAEL G. CONSTANTINE
Notary Public, State of New York
No. 02CO5085978
Qualified in Westchester County
Commission Expires 2/29/01

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing has been forwarded to the attorney of record for the Plaintiff, D. Dee Raibourn, III, Quilling, Selander, Cumiskey & Lownds, P.C., 2001 Bryan Street, Suite 1800, Dallas, Texas 75201, by Certified Mail, Return Receipt Requested on this the 26 day of February, 2001.



Ashley B. McClain