

Stipulated Award
NASD Dispute Resolution, Inc.

The Matter of the Arbitration Between

Name of Claimant

Peter T. McHugh

Case No. 00-00863

Names of Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc.
Jon Nelson Roberts

REPRESENTATION OF PARTIES

For Peter T. McHugh, hereinafter referred to as "Claimant": Jerry R. Everhardt, Esq., Raleigh, North Carolina.

For Merrill Lynch, Pierce, Fenner & Smith, Inc. ("MLPFS") and Jon Nelson Roberts ("Roberts"), hereinafter collectively referred to as "Respondents": Peter Bon Viso, Esq., Respondent MLPFS, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: February 28, 2000.

Claimant signed the Uniform Submission Agreement on: February 23, 2000.

Statement of Answer filed by Respondents on or about: April 17, 2000.

Respondent MLPFS signed the Uniform Submission Agreement on: April 12, 2000.

Respondent Roberts signed the Uniform Submission Agreement on: April 14, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 adopted thereunder; 2) breach of fiduciary duty; 3) breach of contract; and 4) negligence. The causes of action relate to losses incurred in the sale of mutual fund shares in Pioneer Growth Shares, Inc., MFS Utilities Fund Class A, Massachusetts Investors Growth Stock Fund Class A, Seligman Communications & Information Fund Class A, Goldman Sachs International Equity Fund Class A, Lazard Small Cap Port, and American Century Twentieth Century International Growth Fund.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Claimant failed to state a claim upon which relief may be granted; 2) Claimant is estopped by his conduct from asserting any and all claims alleged in the Statement of Claim; 3) Claimant by his conduct waived any

claims against Respondents which may be alleged in the Statement of Claim; 4) Respondents acted in a commercially reasonable manner and consistent with their obligations and responsibilities to Claimant; 5) Claimant, acting with full knowledge and notice of the facts, ratified, approved, accepted, acquiesced, and confirmed in all respects the acts complained of in the Statement of Claim; 6) Claimant assumed the risks of the investments which he purchased and held at Respondent MLPFS; 7) Claimant has not been damaged; 8) Claimant is barred from recovery by the applicable statute of limitations; 9) all transactions at issue were conducted in accordance with all applicable securities industry rules and regulations; 10) Claimant is barred from recovery by the doctrine of laches; and 11) Claimant's own contributory negligence and/or comparative negligence bars his claims.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$20,646.36; 2) interest; 3) costs; and 4) such other relief the undersigned arbitrator (the "Arbitrator") deemed just and proper.

Respondents requested: 1) dismissal of the Statement of Claim; 2) expungement of all references to the above-captioned arbitration proceeding from Respondent Roberts' registration records maintained by the NASD Central Registration Depository ("CRD"); 3) costs; 4) attorneys' fees; and 5) such other relief the Arbitrator deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 5, 2001, Claimant filed his Notice of Voluntary Dismissal wherein Claimant dismissed, with prejudice, all claims asserted against Respondents.

On or about March 16, 2001, the parties filed their Stipulation to Move Panel to Expunge Matter from Jon N. Roberts' Registration Record (the "Stipulation") wherein the parties moved the Arbitrator to expunge all references to the above-captioned arbitration proceeding from Respondent Roberts' registration records maintained by the NASD CRD.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

After considering the pleadings and the Stipulation, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims are dismissed with prejudice.
2. In the event there is a notation on the NASD CRD with respect to Respondent Roberts, the Arbitrator recommends the expungement of all references to the above-captioned arbitration proceeding from Respondent Roberts' registration records maintained by the

NASD CRD, with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Roberts must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$125.00

Member Fees

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

Member surcharge = \$400.00

Adjournment Fees

Adjournments requested during these proceedings:

January 18 and 19, 2001, adjournment request by Respondents = \$450.00
(Adjournment fee assessed to Respondent MLPFS)

Forum Fees and Assessments

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

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00 = \$900.00

Pre-hearing conferences: October 30, 2000 1 session
 February 1, 2001 1 session

Total Forum Fees = \$900.00

The Arbitrator has assessed \$450.00 of the forum fees to Claimant.

The Arbitrator has assessed \$450.00 of the forum fees to Respondent MLPFS.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$125.00	
Forum Fees	= \$450.00	
Total Fees	= \$575.00	
<u>Less payments</u>	<u>= \$575.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$0.00

Respondent MLPFS be and hereby is solely liable for:

Member Fees	= \$ 400.00	
Adjournment Fee	= \$ 450.00	
Forum Fees	= \$ 450.00	
Total Fees	= \$1,300.00	
<u>Less payments</u>	<u>= \$ 400.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$900.00

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Stipulated Award by the parties.

Arbitrator's Signature

/s/
Norbert John Garcia
Public Arbitrator

Signature Date

March 23, 2001
Date of Service (For NASD-DR office use only)

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant be and hereby is solely liable for:

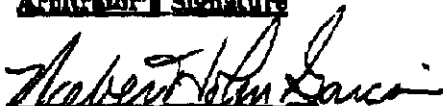
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Balance Due NASD Dispute Resolution, Inc.		= \$900.00

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Arbitrator's Signature



Norbert John Garcia
Public Arbitrator

Signature Date

3-23-01

Date of Service (For NASD-DR office use only)