

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Vernon G. Butler

Case No. 01-01902

Name of Respondents

Michael S. McGeehan, William Keats Nicoll and
Merrill Lynch, Pierce, Fenner & Smith Inc.

REPRESENTATION OF PARTIES

Claimant Vernon G. Butler ("Claimant") was represented by Mark C. Hayes, Esq. of the law firm of Carter, Fullerton & Hayes, LLC, Alexandria, Virginia.

Respondents Michael S. McGeehan ("McGeehan"), William Keats Nicoll ("Nicoll") and Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill Lynch") hereinafter collectively referred to as "Respondents", were represented by Yosef Sinensky, Esq., Merrill Lynch Pierce Fenner & Smith, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on: April 16, 2001

Claimant's signed the Uniform Submission Agreement: April 13, 2001

Statement of Answer filed by Respondents on: October 16, 2001

A representative of Respondent Merrill Lynch executed the Uniform Submission Agreement on:
October 15, 2001

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; suitability; negligence; negligent supervision; omission of facts; and, breach of fiduciary duty. The causes of action relate to the purchase of Exodus Communications stock as well as Claimant's use of margin.

Respondents denied each of the claims made in the Statement of Claim.

RELIEF REQUESTED

Claimant requested the following damages:

Compensatory Damages	\$110,000.00
Interest	amount unspecified
Attorneys Fees and Costs	amount unspecified

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, the parties agreed as follows:

1. Respondent Merrill Lynch agreed to pay Claimant the sum of \$42,500.00;
2. Claimant has withdrawn, with prejudice, any and all claims made against Respondents McGeehan and Nicoll and consented to an expungement of their NASD Central Registration Depository records;
3. All claims by and between the Parties have been fully and finally settled, and the parties request this Stipulated Award be entered; and,
4. The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Merrill Lynch shall pay to Claimant the sum of Forty Two Thousand Five Hundred dollars and no cents (\$42,500.00);
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Nicoll's and McGeehan's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Nicoll and McGeehan must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. The parties shall bear their respective costs, including attorney's fees, except as Fees are specifically addressed below; and,
4. Any and all relief not specifically addressed herein is denied in its entirety.

FEES

Pursuant to 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 = \$ 300.00

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 person at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$ 1,500.00
<u>Pre-hearing process fee</u>	<u>= \$ 600.00</u>
Total Member Fees	= \$ 2,100.00

Fee Summary

1. Claimant is assessed the following fees:

<u>Initial Filing Fee</u>	<u>= \$ 300.00</u>
Total Fees	= \$ 300.00
<u>Less payments</u>	<u>= \$ 1,425.00</u>
Refund paid to Claimant from NASD Dispute Resolution	= \$ 1,125.00

2. Respondent Merrill Lynch is assessed the following fees:

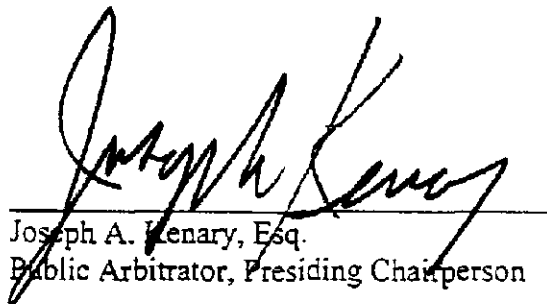
<u>Member Fees</u>	<u>= \$ 2,100.00</u>
Total Fees	= \$ 2,100.00
<u>Less payments</u>	<u>= \$ 2,100.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Joseph A. Kenary, Esq.	-	Public Arbitrator, Presiding Chairperson
Alan S. Carmel, Esq.	-	Public Arbitrator, Panelist
Steven R. Bralove	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Joseph A. Kenary, Esq.
Public Arbitrator, Presiding Chairperson

11/25/02

Signature Date

Alan S. Carmel, Esq.
Public Arbitrator, Panelist

Signature Date

Steven R. Bralove
Non-Public Arbitrator, Panelist

Signature Date

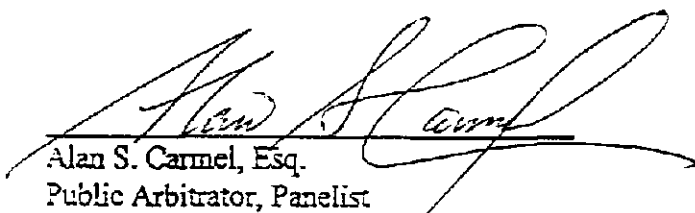
December 2, 2002

Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Joseph A. Kenary, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Alan S. Carmel, Esq.
Public Arbitrator, Panelist

11/15/02

Signature Date

Steven R. Bralove
Non-Public Arbitrator, Panelist

Signature Date

December 2, 2002

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Concurring Arbitrators' Signatures

Joseph A. Kenary, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Alan S. Carmel, Esq.
Public Arbitrator, Panelist

Signature Date



Steven R. Bralove
Non-Public Arbitrator, Panelist

11/19/02

Signature Date

December 2, 2002

Date of Service (For NASD Dispute Resolution office use only)