

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Jacobson Family Trust

Case Number: 02-04630

Name of the Respondents
Merrill Lynch, Pierce, Fenner & Smith, Inc.
Steven M. Cohen

Hearing Site: Baltimore, MD

REPRESENTATION OF PARTIES

Claimant, Jacobson Family Trust, was represented by Leslie D. Jacobson, Esq., Attorney at Law, Harrisburg, PA.

Respondents, Merrill Lynch, Pierce, Fenner & Smith ("Merrill Lynch") and Steven M. Cohen ("Cohen"), hereinafter collectively referred to as "Respondents", were represented by Colin Schafer, Esq. and Jill M. Del Monico, Esq., Morgan, Lewis & Bockius, L.L.P., New York, NY.

CASE INFORMATION

Statement of Claim filed on August 6, 2002.

The Trustee signed the Uniform Submission Agreement on behalf of Claimant on July 30, 2001.

Joint Statement of Answer filed by Respondents on October 14, 2002.

A Representative of Respondent Merrill Lynch signed the Uniform Submission Agreement on September 10, 2002.

Respondent Cohen signed the Uniform Submission Agreement on September 5, 2002.

Respondents filed a Motion to Preclude Claimant from Producing any Documents or Witnesses at the Hearing ("Motion to Preclude") on June 18, 2003.

Claimant filed a Response to the Motion to Preclude on June 19, 2003.

CASE SUMMARY

Claimant asserted the following cause of action: failure to execute. The cause of action relates to the short sale of United Airlines stock.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted; contributory negligence; failure to mitigate; failure to use due diligence; ratification; estoppel; and, waiver.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 86,000.00
Punitive Damages	\$ 10,000.00
Interest	\$ 3,900.00
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

In their Statement of Answer, Respondents requested that Claimant's claims be dismissed in their entirety; and, that they be awarded costs and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, the Panel denied Respondents' Motion to Preclude.

At the hearing on this Matter Respondents made a Motion for a Directed Verdict. The Motion was denied.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

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

1. That Respondents Merrill and Cohen are jointly and severally liable to, and shall pay to Claimant compensatory damages in the amount of \$5,000.00;
2. That each party shall bear its respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
2. That any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$225.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings. Accordingly, Merrill Lynch is a party.

Member surcharge	= \$ 1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,700.00
Total Member fees	= \$ 3,550.00

Adjournment Fees

Adjournment granted during these proceedings for which adjournment fees were waived by the Panel:

May 28-29, 2003 adjournment by Claimant fee waived

Forum Fees and Assessments

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

One (1) Pre-hearing session with Panel @ \$750.00 = \$ 750.00
Pre-hearing conference March 19, 2003

Two (2) Hearing sessions @ \$750.00 = \$1,500.00
Hearing Date: June 25, 2003

Total Forum Fees = \$ 2,250.00

1. The Panel has assessed \$2,250.00 of the forum fees to Merrill Lynch.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 225.00
Less payments	= \$ 975.00
Refund Due Claimant	= \$ 750.00

3. Respondent Merrill is solely liable for:

Member Fees	= \$ 3,550.00
Forum Fees	= \$ 2,250.00
Total Fees	= \$ 5,800.00
Less payments	= \$ 3,550.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule

10331(g) of the Code.

ARBITRATION PANEL

John A. Gray, Esq.	-	Public Arbitrator, Presiding Chairperson
Maureen Power Wilkerson, Esq.	-	Public Arbitrator, Panelist
Thomas Adamson, IV	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

John A. Gray, Esq.

Public Arbitrator, Presiding Chairperson

Signature Date

Maureen Power Wilkerson

Maureen Power Wilkerson, Esq.

Public Arbitrator, Panelist

7/14/03

Signature Date

Thomas Adamson, IV

Non-Public Arbitrator, Panelist

Signature Date

7/21/03

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

07/14/2003 14:08 4106172117

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PAGE 02/02

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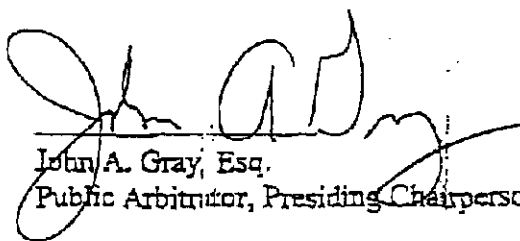
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Concurring Arbitrators' Signatures


John A. Gray, Esq.
Public Arbitrator, Presiding Chairperson

7-14-02
Signature Date

Maureen Fowler Wilkerson, Esq.
Public Arbitrator, Panelist

Signature Date

Thomas Adamson, IV
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