
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Dr. Henry Steig

Case Number: 02-05857

Names of the Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc.

Donald H. Pizzutello

Michael P. Pizzutello

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Dr. Henry Steig, hereinafter referred to as "Claimant": Bruce D. Oakes, Oakes & Foshier, LLC, St. Louis, Missouri.

For Merrill Lynch, Pierce, Fenner & Smith, Inc. ("MLPFS"), Donald H. Pizzutello ("D. Pizzutello") and Michael P. Pizzutello ("M. Pizzutello"), hereinafter collectively referred to as "Respondents": Matthew C. Plant, Esq., Bressler, Amery & Ross, P.C., New York, New York.

CASE INFORMATION

Statement of Claim filed by Claimant on or about: October 1, 2002.

Claimant signed the Uniform Submission Agreement: July 23, 2002.

Motion to File First Amended Statement of Claim filed on or about: June 18, 2004.

Amended Statement of Claim filed by Claimant on or about: June 18, 2004.

Motion for Sanctions filed by Claimant on or about: February 28, 2005.

Statement of Answer filed by Respondents on: December 24, 2002.

Respondent MLPFS did not file a properly executed Uniform Submission Agreement.

Respondent D. Pizzutello did not file a properly executed Uniform Submission Agreement.

Respondent M. Pizzutello did not file a properly executed Uniform Submission Agreement.

Opposition to Claimant's Motion to File First Amended Statement of Claim filed on or about: July 19, 2004.

Respondents' Opposition to Claimant's Motion for Sanctions filed on or about: March 3, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violation of Section 10(B) of the Securities Exchange Act of 1934; 2) negligence; 3) breach of fiduciary duty; 4) common law fraud; and, 5) negligent supervision. The causes of action relate to investments in shares of unspecified equity stocks and options contracts in Claimants' accounts.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$13,000,000.00; and, 2) punitive damages in the amount of \$50,000,000.00.

Respondents requested: 1) that Claimant's Statement of Claim be dismissed against all parties, with prejudice; and, 2) that the Panel enter an order expunging or striking this claim from D. Pizzutello and M. Pizzutello permanent registration records maintained by NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

Respondents MLPFS, D. Pizzutello and M. Pizzutello did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

On or about July 27, 2004, the Panel granted Claimant's Motion to File First Amended Statement of Claim.

Prior to the Panel ruling on the Motion for Sanctions, the parties settled this arbitration proceeding.

On or about March 5, 2005, Claimant notified NASD Dispute Resolution that the parties settled this arbitration proceeding.

On or about April 8, 2005, the parties submitted a proposed Stipulated Award for consideration by the Panel.

The parties 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

The parties entered into an agreement by which Respondents would present to the Panel a proposed Stipulated Award and Claimant would not object to such presentation. Now, in lieu of a hearing and upon motion of Respondents for entry of a Stipulated Award, the Panel hereby grants the motion and enters this Stipulated Award granting the following relief:

- 1) Respondents MLPFS, Donald H. Pizzutello and Michael P. Pizzutello are dismissed with prejudice. Claimant and Respondent MLPFS have entered into a confidential settlement agreement.
- 2) The Panel recommends the expungement of all references to the above captioned arbitration from Respondents D. Pizzutello and M. Pizzutello's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents D. Pizzutello and M. Pizzutello must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

- 3) Each party shall bear its own costs and expenses associated with the above-referenced arbitration.
- 4) Any and all relief not specifically addressed herein is denied.

FEES

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

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 600.00

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. Accordingly, Respondent MLPFS is a member firm and a party.

Member surcharge = \$ 3,750.00

Pre-hearing process fee = \$ 750.00

Hearing processing fee = \$ 5,500.00

Total Member Fees = \$10,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

December 8, 9, 10, 11 and 12, 2003, adjournment by Claimant = \$ 1,200.00

The Claimant has been assessed an adjournment fee in the amount of \$600.00.

The Respondents have been assessed an adjournment fee in the amount of \$600.00, jointly and severally.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

The Panel has assessed a three-day cancellation fee of \$300.00 as follows:

\$150.00 to Claimant.

\$150.00 to Respondents, jointly and severally.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

There were no injunctive relief fees assessed during these proceedings.

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 a single arbitrator @ \$450.0 per session	= \$ 450.00
Pre-hearing conference: June 17, 2003 1 session	

Two (2) Pre-hearing sessions with Panel @ \$1,200.00 per session	= \$ 2,400.00
Pre-hearing conferences: April 14, 2003 1 session	
July 27, 2004 1 session	

Total Forum Fees	= \$ 2,850.00
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The Panel has assessed forum fees in the amount of \$1,425.00 to Claimant.

The Panel has assessed forum fees in the amount of \$1,425.00 to Respondents, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

Adjournment Fee	= \$ 600.00
Three Day Cancellation Fee	= \$ 150.00
Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 1,425.00
Total Fees	= \$ 2,775.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 975.00

Respondent MLPFS is solely liable for:

Member Fees	= \$10,000.00
Total Fees	= \$10,000.00
Less payments	= \$10,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Adjournment Fee	= \$ 600.00
Three Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	<u>= \$ 1,425.00</u>
Total Fees	= \$ 2,175.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 2,175.00

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

ARBITRATION PANEL

<i>Bernard L. Loring</i>	-	<i>Non-Public Arbitrator, Presiding Chairperson</i>
<i>Cheryl E. Winton</i>	-	<i>Public Arbitrator</i>
<i>George L. Davis</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Bernard L. Loring
Non-Public Arbitrator, Presiding Chairperson

May 6, 2005
Signature Date

/s/
Cheryl E. Winton
Public Arbitrator

May 10, 2005
Signature Date

/s/
George L. Davis.
Non-Public Arbitrator

May 9, 2005
Signature Date

May 17, 2005
Date of Service (For NASD Dispute Resolution office use only)

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Balance Due NASD Dispute Resolution = \$ 0.00

Respondents are jointly and severally liable for:

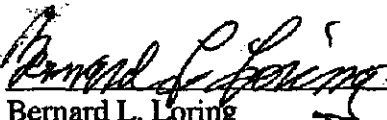
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George L. Davis	- Non-Public Arbitrator

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Non-Public Arbitrator, Presiding Chairperson

MAY 6, 2005
Signature Date

Cheryl E. Winton
Public Arbitrator

Signature Date

George L. Davis.
Non-Public Arbitrator

Signature Date

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Bernard L. Loring
Non-Public Arbitrator, Presiding Chairperson

Signature Date



Cheryl E. Winton
Public Arbitrator

5/10/05
Signature Date

George L. Davis.
Non-Public Arbitrator

Signature Date

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Non-Public Arbitrator, Presiding Chairperson

Signature Date

Cheryl E. Winton
Public Arbitrator

Signature Date



George L. Davis.
Non-Public Arbitrator

5/9/05

Signature Date

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