

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Ihab Aziz
Jeneat Aziz

Case Number: 02-06013

Name of the Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc.
Eric MacDonnell
David MacDonnell
Kiah Warden

Hearing Site: Washington, DC

REPRESENTATION OF PARTIES

Claimants, Ihab Aziz and Jeneat Aziz, hereinafter collectively referred to as "Claimants", were represented by Samuel B. Edwards, Esq., Shepherd, Smith & Bebel, P.C., Houston, TX.

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. ("MLPFS") and Kiah Warden ("Warden"), were represented by Jeffrey H. Gray, Esq., Wilcox & Savage, P.C., Virginia Beach, VA.

Respondents, Eric MacDonnell ("E. MacDonnell") and David MacDonnell ("D. MacDonnell"), were represented by John M. Fedders, Esq., Attorney at Law, Washington, DC.

CASE INFORMATION

Statement of Claim filed on October 2, 2002.

Claimants signed the Uniform Submission Agreement on August 28, 2002.

Statement of Answer filed by Respondents MLPFS and Warden on December 6, 2002.

Counterclaim and Request for Sanctions filed by Respondents MLPFS and Warden on February 14, 2003.

Statement of Answer filed by Respondents E. MacDonnell and D. MacDonnell on December 6, 2002.

Respondent E. MacDonnell signed the Uniform Submission Agreement on December 4, 2002.

Respondent D. MacDonnell signed the Uniform Submission Agreement on or about December 4, 2002.

A representative of MLPFS signed the Uniform Submission Agreement on October 20, 2002.

Respondent Warden did not file a Uniform Submission Agreement with NASD Dispute Resolution.

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202-728-6852

T-971 P.003/006 F-809

CASE SUMMARY

Claimants asserted the following causes of action, among others: breach of fiduciary duty; negligence; breach of contract; breach of warranty; estoppel; failure to supervise; negligent misrepresentation; and, unjust enrichment. The causes of action relate to various unspecified securities.

Unless specifically admitted in their Answers, Respondents, MLPFS and Warden, denied the allegations made in the Statement of Claim and asserted the following defenses, among others: the Statement of Claim fails to state a claim upon which relief may be granted; the causes of action are barred by the doctrines of ratification, waiver and estoppel; and, failure to mitigate.

Unless specifically admitted in their Answers, Respondents E. MacDonnell and D. MacDonnell denied the allegations made in the statement of Claim and asserted the following defenses., among others: the Statement of Claim fails to state a claim upon which relief may be granted; the causes of action are barred by the doctrines of ratification, waiver and estoppel; and, failure to mitigate.

In their Counterclaim Respondents MLPFS and Warden asserted the following cause of action: defamation.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$ 100,000.00 to \$500,00.00
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents MLPFS and Warden requested:

Compensatory Damages	amount unspecified
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In their Statement of Answer, Respondents, E. MacDonnell and D. MacDonnell, requested that Claimants' claims be dismissed in their entirety; that their Central Registration Depository ("CRD") records be expunged; and, that they be awarded their costs and attorney's fees.

In their Statement of Answer, Respondents, MLPFS and Warden, requested that Claimants' claims be dismissed in their entirety; that the CRD record of Warden be expunged; that sanctions be entered against Claimants; and that they be awarded their costs and attorney's fees.

In their Counterclaim, Respondents, MLPFS and Warden, requested monetary sanctions and compensation for defamation.

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T-871 P.004/006 F-908

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OTHER ISSUES CONSIDERED AND DECIDED

Respondent Warden did not file with NASD Dispute Resolution, a properly executed submission to arbitration, but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

Claimants dismissed all claims, without prejudice, against D. MacDonnell on January 23, 2003.

Prior to the hearing, the Parties fully and finally settled all claims by and between them. Therefore, the Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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

AWARD

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

1. The Panel recommends the expungement of all reference to the above captioned arbitration from the registration records of Respondents, Warden, E. MacDonnell and D. MacDonnell, maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Warden, E. MacDonnell and D. MacDonnell must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
2. The parties shall pay their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
3. 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	= \$300.00
Counter claim filing fee	= \$500.00

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T-871 P.005/008 F-909

NASD Dispute Resolution

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Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, MLPFS is a party

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00

Fee Summary

1. Claimants are solely liable for:

Initial Filing Fee	= \$ 300.00
Less payments	= \$ 1,425.00
Refund Due Claimants	= \$ 1,125.00

3. Respondent MLPFS is solely liable for:

Member Fees	= \$ 2,450.00
Less payments	= \$ 2,450.00
Balance Due NASD Dispute Resolution	= \$ 00.00

4. Respondents, MLPFS and Warden are jointly and severally liable for:

Counterclaim Filing Fee	= \$ 500.00
Less Payments	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$ 500.00

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

ARBITRATION PANEL

John Dapray Muir, Esq.

- Public Arbitrator, Presiding Chairperson

Patrick S. Dolan

- Public Arbitrator

Daniel T. McHugh

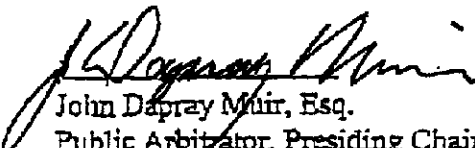
- Non-Public Arbitrator

Jul-01-03 08:06am From NASD DISPUTE RESOLUTION
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T-971 P.006/006 F-909

Concurring Arbitrators' Signatures


John Dapray Muir, Esq.
Public Arbitrator, Presiding Chairperson

July 9, 2003
Signature Date

Patrick S. Dolan
Public Arbitrator

Signature Date

Daniel T. McHugh
Non-Public Arbitrator

Signature Date

7/17/03
Date of Service (For NASD Dispute Resolution office use only)

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Jul-01-03 08:08am From-NASD DISPUTE RESOLUTION

202-723-8852

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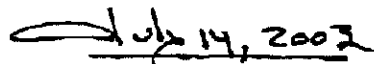
Concurring Arbitrators' Signatures

John Depray Muir, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Patrick S. Dolan
Public Arbitrator



Signature Date

Daniel T. McHugh
Non-Public Arbitrator

Signature Date

7/17/03

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

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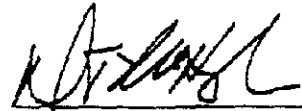
Concurring Arbitrators' Signatures

John Dapray Muir, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Patrick S. Dolan
Public Arbitrator

Signature Date



Daniel T. McHugh
Non-Public Arbitrator

7/15/2003
Signature Date

7/14/03
Date of Service (For NASD Dispute Resolution office use only)