

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Roderic Johansen, Linda Johansen, Robert L. Haskell, Joyce C. Haskell, Conan Johansen, and Joel Johansen, Claimants v. Merrill Lynch, Pierce, Fenner & Smith, Inc., Henry Blodget, Justin Baldauf, Virginia Syer Genereux, Sofia Ghachem, Thomas Mazzucco, Edward McCabe, Deepak Raj, John Weaver, Greg Jensen, and Robb Thomas, Respondents

Case Number: 02-06618

Hearing Site: Seattle, Washington

Nature of the Dispute: Customers v. Member and Associated Persons

REPRESENTATION OF PARTIES

For Claimants:

Anthony M. Urie, Esq.
Attorney at Law
Seattle, Washington

For Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc., John Weaver, and Robb Thomas:

Dale E. Barnes, Esq.
Sejal A. Mistry, Esq.
Bingham, McCutchen, LLP
San Francisco, California

For Respondent Henry Blodget:

Mark B. Dorfman, Esq.
Joseph D. Edmonson, Jr., Esq.
Samuel J. Winer, Esq.
Foley & Lardner
Washington, D.C.

For Respondents Justin Baldauf, Virginia Syer Genereux, and Edward McCabe:

Andrew W. Stern, Esq.
Jonathan J. Brennan, Esq.
Sidley Austin Brown & Wood LLP
New York, New York

For Respondent Thomas Mazzucco:

Richard Marmaro, Esq.
Lisa Callif, Esq.
Proskauer Rose
Los Angeles, California

For Respondent Deepak Raj:

Betty Santangelo, Esq.
David Mamborquette, Esq.
Schulte Roth & Zabel LLP
New York, New York

For Respondent Greg Jensen:

David J. Romanski, Esq.
DLA Piper Rudnick
Gray Cary US LLP
San Francisco, California

For Respondent Sofia Ghachem:

Neil A. Steiner, Esq.
Andrew J. Levander, Esq.
Dechert LLP
New York, New York

CASE INFORMATION

Statement of Claim filed: October 30, 2002

Claimants' Joint Uniform Submission Agreement signed: December 2, 2002

Joint Statement of Answer filed by Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc., John Weaver, and Robb Thomas: April 21, 2003

Statement of Answer filed by Respondent Henry Blodget: April 21, 2003

Joint Statement of Answer and Motion to Dismiss filed by Respondents Justin Baldauf, Virginia Syer Genereux, Thomas Mazzucco, Edward McCabe, and Deepak Raj: April 21, 2003

Statement of Answer filed by Respondent Greg Jensen: April 21, 2003

Statement of Answer by Respondent Sophia Ghachem: None filed

Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc.'s Uniform Submission Agreement signed: February 19, 2003

Respondent John Weaver's Uniform Submission Agreement signed: March 11, 2003

Respondent Robb Thomas' Uniform Submission Agreement signed: April 17, 2003

Respondent Henry Blodget's Uniform Submission Agreement signed: June 7, 2003

Respondent Justin Baldauf's Uniform Submission Agreement signed: April 15, 2003

Respondent Virginia Syer Genereux's Uniform Submission Agreement signed: April 16, 2003

Respondent Thomas Mazzucco's Uniform Submission Agreement signed: April 16, 2003

Respondent Edward McCabe's Uniform Submission Agreement signed: April 14, 2003

Respondent Deepak Raj's Uniform Submission Agreement signed: April 21, 2003

Respondent Greg Jensen's Uniform Submission Agreement signed: April 21, 2003

Respondent Sophia Ghachem's Uniform Submission Agreement: None submitted.

CASE SUMMARY

In their Statement of Claim, Claimants alleged fraud, breach of fiduciary duty, negligence, and violations of the Washington Consumer Protection Laws in connection with the purchase of common stock in various technology companies against all Respondents.

Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc., John Weaver, and Robb Thomas denied the allegations of wrongdoing as set forth in the Claimants' Statement of Claim and asserted the following affirmative defenses: Failure to state a claim upon which relief can be granted; Claimants suffered no damages because of the acts of Merrill Lynch, Pierce, Fenner & Smith, Inc., John Weaver and Robb Thomas; Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc., John Weaver, and Robb Thomas acted in good faith with respect to Claimants' accounts; ratification; assumption of risk; all transactions recommended to and made for or on behalf of Claimants were suitable for them; Claimants made all investment decisions with regard to their accounts; failure to mitigate damages; Claimants authorized, consented to, accepted, acquiesced in and confirmed all transactions executed in their accounts and all strategies employed in executing those transactions; statute of limitations.

Respondent Henry Blodget denied the allegations of wrongdoing as set forth in the Claimants' Statement of Claim and asserted the following affirmative defenses: failure to state a claim; assumption of risk; contributory negligence, comparative negligence; lack of causational lack of privity; failure to mitigate damages; compliance with federal and state law; statute of limitations; estoppel, waiver ratification and laches. Respondent Henry Blodget asserted that he did not act with intent, scienter or in breach of any duty of care or loyalty.

Respondents Justin Baldauf, Virginia Syer Genereux, Thomas Mazzucco, Edward McCabe, and

Deepak Raj denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

Respondent Greg Jensen denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested actual damages in the amount of \$3,000,000.00, treble damages, punitive damages in the amount of \$10,000,000.00, interest, and costs, including attorney's fees.

Respondents Merrill Lynch, Pierce Fenner & Smith, Inc., John Weaver, and Robb Thomas requested dismissal of the Claimants' Statement of Claim in its entirety, and expungement of all references to the Claim from John Weaver's and Robb Thomas' Central Registration Depository (CRD) Records.

Respondent Henry Blodget requested dismissal with prejudice of Claimants' statement of Claim in its entirety, expungement of all references to the Claim from Henry Blodget's Central Registration Depository (CRD) Record, and costs, including attorney's fees.

Respondents Justin Baldauf, Virginia Syer Generaux, Thomas Mazzucco, Edward McCabe, and Deepak Raj requested dismissal with prejudice of Claimants' Statement of Claim in its entirety, expungement of all references to the Claim from their individual Central Registration Depository (CRD) Records, and costs, including attorney's fees.

Respondent Greg Jensen requested dismissal of Claimants' Statement of Claim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Sophia Ghachem was never served with the Statement of Claim in this action.

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

AWARD

After considering the pleadings, testimony, and the Parties' request for this stipulated award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants and Respondent Merrill Lynch, Pierce Fenner & Smith, Inc. have entered into a confidential settlement agreement.
2. Claimants voluntarily dismissed all claims against Respondents Henry Blodget, Justin Baldauf, Virginia Syer Genereux, Sophia Ghachem, Thomas Mazzucco, Edward McCabe, Deepak Raj, John Weaver, Greg Jensen and Robb Thomas.
3. Except as specifically addressed, the parties shall bear their respective costs, including attorney's fees.
4. All other relief requested and not expressly granted is denied with prejudice.
5. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Henry Blodget's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Henry Blodget must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
6. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Justin Baldauf's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Justin Baldauf must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
7. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Virginia Syer Genereux's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Virginia Syer Genereux must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
8. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Thomas Mazzucco's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54 Respondent Thomas Mazzucco must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

9. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Edward McCabe's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Edward McCabe must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
10. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Deepak Raj's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Deepak Raj must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
11. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Greg Jensen's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Greg Jensen must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
12. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Robb Thomas' registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Robb Thomas must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
13. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Sophia Ghachem's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Sophia Ghachem must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
14. All other relief requested and not expressly granted is denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 600.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Merrill Lynch, Pierce Fenner & Smith, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 3,750.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 5,500.00</u>
Total Member Fees	= \$ 10,000.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$ 1,200.00/session	= \$ 1,200.00
Pre-hearing conference: December 2, 2003 1 session	

Total Forum Fees	= \$ 1,200.00
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1. The Panel assessed \$600.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$600.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants Roderic Johansen, Linda Johansen, Robert L. Haskell, Joyce C. Haskell, Conan Johansen, and Joel Johansen, are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	= \$ 600.00
Total Fees	= \$ 1,200.00
<u>Less payments</u>	= \$ (1,800.00)
Refund Due Claimant	= \$ (600.00)

2. Respondent Merrill Lynch, Pierce Fenner & Smith, Inc. is charged with the following fees and costs:

Member Fees	= \$ 10,000.00
<u>Less payments</u>	= \$(10,000.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Merrill Lynch, Pierce Fenner & Smith, Inc., Henry Blodget, Justin Baldauf, Virginia Syer Genereux, Sofia Ghachem, Thomas Mazzucco, Edward McCabe, Deepak Raj, John Weaver, Greg Jensen, and Robb Thomas are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 600.00
<u>Less Payment made by Merrill Lynch, Pierce Fenner & Smith, Inc.</u>	= \$ (600.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

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

Parties' Signatures



Anthony M. Urie, Esq.
Attorney for and on behalf of
Claimants

2/28/05

Signature Date

BINGHAM MCCUTCHEN

By: Dale Barnes, Esq.
Sejal Mistry, Esq.
Attorneys for and on behalf of
Respondents Merrill Lynch, Pierce,
Fenner & Smith, Inc., John W. Weaver,
And Robb Thomas

Signature Date

SIDLEY AUSTIN BROWN & WOOD LLP

By: Andrew W. Stern, Esq.
Jonathan J. Brennan, Esq.
Attorneys for and on behalf of
Respondents Justin M. Baldauf,
Virginia S. Genereux, Edward F. McCabe, IV

Signature Date

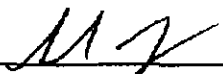
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Arbitration No. 02-06618
Award Page 9 of 12

Parties' Signatures

Anthony M. Urie, Esq.
Attorney for and on behalf of
Claimants

Signature Date

BINGHAM MCCUTCHEN


By: Dale Barnes, Esq.
Sejal Mistry, Esq.
Attorneys for and on behalf of
Respondents Merrill Lynch, Pierce,
Fenner & Smith, Inc., John W. Weaver,
And Robb Thomas

2/16/05
Signature Date

SIDLEY AUSTIN BROWN & WOOD LLP

By: Andrew W. Stern, Esq.
Jonathan J. Brennan, Esq.
Attorneys for and on behalf of
Respondents Justin M. Baldauf,
Virginia S. Genereux, Edward F. McCabe, IV

Signature Date

NASD Dispute Resolution
Arbitration No. 02-06618
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Parties' Signatures

Anthony M. Urie, Esq.
Attorney for and on behalf of
Claimants

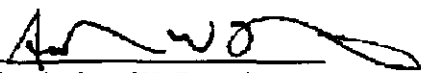
Signature Date

BINGHAM MCCUTCHEN

By: Dale Barnes, Esq.
Sejal Mistry, Esq.
Attorneys for and on behalf of
Respondents Merrill Lynch, Pierce,
Fenner & Smith, Inc., John W. Weaver,
And Robb Thomas

Signature Date

SIDLEY AUSTIN BROWN & WOOD LLP



By: Andrew W. Stern, Esq.
Jonathan J. Brennan, Esq.
Attorneys for and on behalf of
Respondents Justin M. Baldauf,
Virginia S. Genereux, Edward F. McCabe, IV

2/22/05

Signature Date

PROSKAUER ROSE, LLP



By: Richard Marmaro, Esq.

Lisa Callif, Esq.

Attorneys for and on behalf of

Respondent Thomas C. Mazzucco, Jr.

Feb. 28, 2005

Signature Date

FOLEY LARDNER

By: Joseph D. Edmondson, Jr., Esq.

Attorneys for and on behalf of Respondent

Henry Blodget

Signature Date

DLA PIPER RUDNICK GRAY CARY US LLP

By: David J. Romanski, Esq.,

Attorneys for and on behalf of

Respondent Gregory M. Jensen,

Signature Date

SCHULTE ROTH & ZABEL LLP

By: Betty Santangelo, Esq.

David mamborquette, Esq.

Attorneys for and on behalf of Respondent

Deepak Raj

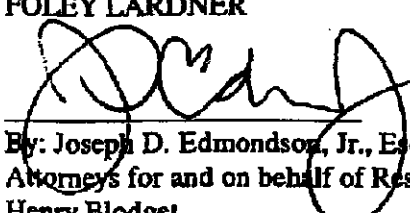
Signature Date

PROSKAUER ROSE, LLP

By: Richard Marmaro, Esq.
Lisa Callif, Esq.
Attorneys for and on behalf of
Respondent Thomas C. Mazzucco, Jr.

Signature Date

FOLEY LARDNER


By: Joseph D. Edmondson, Jr., Esq.
Attorneys for and on behalf of Respondent
Henry Blodget

2/7/05

Signature Date

DLA PIPER RUDNICK GRAY CARY US LLP

By: David J. Romanski, Esq.,
Attorneys For and on behalf of
Respondent Gregory M. Jensen,

Signature Date

SCHULTE ROTH & ZABEL LLP

By: Betty Santangelo, Esq.
David mamborquette, Esq.
Attorneys for and on behalf of Respondent
Deepak Raj

Signature Date

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Arbitration No. 02-06618
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PROSKAUER ROSE, LLP

By: Richard Marmaro, Esq.
Lisa Callif, Esq.
Attorneys for and on behalf of
Respondent Thomas C. Mazzucco, Jr.

Signature Date

POLEY LARDNER

By: Joseph D. Edmondson, Jr., Esq.
Attorneys for and on behalf of Respondent
Henry Blodget

Signature Date

DLA PIPER RUDNICK GRAY CARY US LLP

David J. Romanski
By: David J. Romanski, Esq.,
Attorneys for and on behalf of
Respondent Gregory M. Jensen,

April 15, 2005
Signature Date

SCHULTE ROTH & ZABEL LLP

By: Betty Santangelo, Esq.
David mamborquette, Esq.
Attorneys for and on behalf of Respondent
Deepak Raj

Signature Date

NASD Dispute Resolution
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PROSKAUER ROSE, LLP

By: Richard Marmaro, Esq.
Lisa Callif, Esq.
Attorneys for and on behalf of
Respondent Thomas C. Mazzucco, Jr.

Signature Date

FOLEY LARDNER

By: Joseph D. Edmondson, Jr., Esq.
Attorneys for and on behalf of Respondent
Henry Blodget

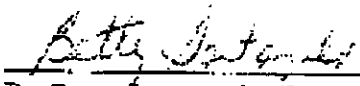
Signature Date

DLA PIPER RUDNICK GRAY CARY US LLP

By: David J. Romanski, Esq.,
Attorneys for and on behalf of
Respondent Gregory M. Jensen,

Signature Date


SCHULTE ROTH & ZABEL LLP


By: Betty Santangelo, Esq.
David Momborquette, Esq.
Attorneys for and on behalf of Respondent
Deepak Raj


Signature Date

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DECHERT LLP



By: Andrew J. Levander, Esq.
Attorneys for and on Behalf of
Respondent Sofia S. Ghachem


Signature Date

ARBITRATION PANEL

Roy J. Mocer, Esq.
John F. Cockburn
James A. Bishop

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator


Roy J. Mocer, Esq.
Chair, Public Arbitrator

4-26-05
Signature Date

John F. Cockburn, Esq.
Public Arbitrator

Signature Date

James A. Bishop
Non-Public Arbitrator

Signature Date

4/27/05
Date of Service

ARBITRATION PANEL

Roy J. Mocer, Esq.	-	Public Arbitrator, Presiding Chair
John F. Cockburn	-	Public Arbitrator
James A. Bishop	-	Non-Public Arbitrator

Roy J. Mocer, Esq.
Chair, Public Arbitrator

Signature Date

John F. Cockburn, Esq.
Public Arbitrator

Signature Date


James A. Bishop
Non-Public Arbitrator

4/26/05
Signature Date

4/27/05
Date of Service


ARBITRATION PANEL

Roy J. Mocer, Esq.
John F. Cockburn
James A. Bishop

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Roy J. Mocer, Esq.
Chair, Public Arbitrator

Signature Date



John F. Cockburn, Esq.
Public Arbitrator

May 12, 2005

Signature Date

James A. Bishop
Non-Public Arbitrator

Signature Date

Date of Service