

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant/Counterrespondent
Merrill Lynch Pierce Fenner & Smith, Inc.

Case Number: 03-00634

Name of the Respondent/Counterclaimant
Dr. Spiros Stamelos

Hearing Site: Chicago, Illinois

Type of Controversy: Member Firm v. Customer and Customer v. Member Firm

REPRESENTATION OF PARTIES

John J. Kilkenny, Esq. of the firm Ungaretti & Harris located in Chicago, Illinois represented Claimant/Counterrespondent Merrill Lynch Pierce Fenner & Smith, Inc., hereinafter referred to as "Merrill Lynch."

Paul R. Shuldiner, Esq. with law offices located in Chicago, Illinois represented Respondent/Counterclaimant Dr. Spiros Stamelos, hereinafter referred to as "Stamelos."

CASE INFORMATION

Merrill Lynch filed an unsigned the Uniform Submission Agreement.
Stamelos signed the Uniform Submission Agreement on April 11, 2003.

Statement of Claim filed on or about: January 28, 2003.
Statement of Answer filed by Stamelos on or about: April 11, 2003.
Statement of Counterclaim filed by Stamelos on or about: April 11, 2003.
Statement of Answer to Counterclaim filed by Merrill Lynch on or about: April 25, 2003.

Stamelos filed a Motion for Leave to File Amended Counterclaim on or about February 17, 2004.

Merrill Lynch filed a Response to Stamelos' Motion for Leave to File Amended Counterclaim on or about March 3, 2004.

Merrill Lynch filed a Motion for Sanctions and to Bar Respondent's Presentation of Evidence on or about February 23, 2004.

Stamelos filed a response to Merrill Lynch's Motion for Sanctions and to Bar Respondent's Presentation of Evidence on or about February 26, 2004.

CASE SUMMARY

The causes of action relate to a debit balance and ICN stock and other undisclosed common stock.

Merrill Lynch asserted the following causes of action: Breach of Contract: Debit Balance. Unless specifically admitted in his Answer, Stamelos denied the allegations made in the Statement of Claim.

Stamelos asserted the following causes of action: Fraud, Unauthorized Trading, Churning, and Unsuitability.

Unless specifically admitted in its Answer, Merrill Lynch denied the allegations made in the Counterclaim and asserted the following defenses:

RELIEF REQUESTED

Merrill Lynch requested:

Compensatory Damages	\$207,286.00
Punitive Damages	unspecified
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	denial and dismissal of the counterclaim and any relief the panel deems just and equitable

Stamelos requested:

Compensatory Damages	\$2 million
Punitive Damages	unspecified
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	denial and dismissal of the initial claim and any relief the panel deems just and equitable

OTHER ISSUES CONSIDERED AND DECIDED

On February 27, 2004 NASD noticed parties that the panel overruled Spiros' Motion for Leave to Amend Counterclaim.

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. Spiros Stamelos is liable for and shall pay to Merrill Lynch Pierce Fenner & Smith, Inc. the sum of \$150,000.00 as compensatory damages.
2. Any and all claims asserted by Spiros Stamelos against Merrill Lynch Pierce Fenner & Smith, Inc. are dismissed and denied.
3. Unless specified herein, parties shall bear their own costs, including attorney's fees.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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	= \$1,000.00
Counterclaim filing fee	= \$ 500.00

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. Pursuant to 10333 and 10328(b) of the Code, Merrill Lynch is assessed the following fees:

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00
Total	= \$7,450.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

Stamelos requested adjournment of the January 27-29, 2004 hearing dates	= \$ 1,200.00
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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:

Two (2) Pre-hearing sessions with Panel at \$1,200.00 = \$ 2,400.00
Pre-hearing conferences: September 15, 2003 1 session
January 30, 2004 1 session

Eight (8) Hearing sessions at \$1,200.00 = \$ 9,600.00
Hearing Dates: March 2, 2004 2 sessions
March 3, 2004 2 sessions
March 10, 2004 2 sessions
March 11, 2004 2 sessions

Total Forum Fees = \$12,000.00

1. The Panel has assessed \$4,000.00 of the forum fees to Merrill Lynch Pierce Fenner & Smith, Inc.
2. The Panel has assessed \$8,000.00 of the forum fees to Spiros Stamelos.

FEE SUMMARY

1. Merrill Lynch Pierce Fenner & Smith, Inc. is solely liable for:
Initial Filing Fee = \$ 1,000.00
Member Fees = \$ 7,450.00
Forum Fees = \$ 4,000.00
Total Fees = \$12,450.00
Less payments = \$ 7,325.00
Balance Due NASD Dispute Resolution = \$ 5,125.00
2. Stamelos is solely liable for:
Counterclaim Filing Fee = \$ 500.00
Adjournment Fee = \$ 1,200.00
Forum Fees = \$ 8,000.00
Total Fees = \$ 9,700.00
Less payments = \$ 1,700.00
Balance Due NASD Dispute Resolution = \$ 8,000.00

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

ARBITRATION PANEL

Lisa I. January	-	Public Arbitrator, Presiding Chairperson
Rody P. Biggert, Esq.	-	Public Arbitrator
Sheldon M. Pekin	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Lisa I. January
Public Arbitrator, Presiding Chairperson

Signature Date

/s/ Rody P. Biggert

05/21/04

Rody P. Biggert, Esq.
Public Arbitrator

Signature Date

/s/ Sheldon M. Pekin

05/13/04

Sheldon M. Pekin
Non-Public Arbitrator

Signature Date

05/21/04

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

Concurring Arbitrators' Signatures

Lisa L. January

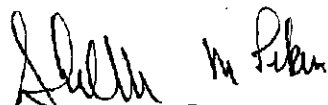
Public Arbitrator, Presiding Chairperson

Signature Date

Rody P. Biggert, Esq.

Public Arbitrator

Signature Date



Sheldon M. Pekin

Non-Public Arbitrator

5/13/04

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Concurring Arbitrators' Signatures

Lisa I. January
Public Arbitrator, Presiding Chairperson

Signature Date



Rody P. Biggert, Esq.
Public Arbitrator

5/21/04

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