

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 03-00850

Nancy Caldwell-Tedesco

Name of the Respondents

Hearing Site: Charlotte, North Carolina

Merrill Lynch, Pierce, Fenner
& Smith Inc., James Joseph Hennessy
and Michael Rex Crosett, Sr.

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

REPRESENTATION OF PARTIES

Claimant Nancy Caldwell-Tedesco, hereinafter referred to as "Claimant", was represented by Jeffrey A. Barnwell, Esq., Gibbs & Holmes, Charleston, South Carolina.

Respondents Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill Lynch"), James Joseph Hennessy ("Hennessy") and Michael Rex Crosett, Sr. ("Crosett"), hereinafter collectively referred to as "Respondents", were represented by Yosef Sinensky, Esq., Merrill Lynch Pierce Fenner & Smith Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about January 30, 2003.

Claimant signed the Uniform Submission Agreement on January 27, 2003.

Statement of Answer filed by Respondents on or about on April 11, 2003.

A representative of Respondent Merrill Lynch signed the Uniform Submission Agreement on April 11, 2003.

Respondent Mr. Hennessy signed the Uniform Submission Agreement on March 3, 2003.

Respondent Mr. Crosett signed the Uniform Submission Agreement on March 3, 2003.

CASE SUMMARY

Claimant alleged that her IRA account was negligently invested in a manner that was unsuitable for her considering her circumstances. Claimant further alleged misrepresentation and breach of fiduciary duty. The causes of action relate to the purchase of the John Hancock Technology fund.

Respondents denied each and every allegation contained in the Statement of Claim. Respondents

maintained that the purchase of the John Hancock Technology fund was Claimant's own idea because she was seeking more growth from her investments.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$12,000.00, costs of this action, reasonable attorneys' fees, interest, and applicable statutory damages.

Respondents asked the Arbitrator to dismiss the Statement of Claim in its entirety, to assess all fees and costs against Claimant and that this matter be ordered expunged from Respondent Hennessy's registration record.

AWARD

After considering the pleadings and having been apprised of the Parties' amicable resolution of this matter and joint request that the Arbitrator enter this Award, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim is dismissed in its entirety without any finding of fault or liability on the part of Merrill Lynch, James Joseph Hennessy or Michael Rex Crosett, Sr.;
2. Based upon the joint request of the Parties, the Arbitrator determines that NASD Regulation, Inc. should expunge all references to this matter, including any references on the CRD System, from the registration record of Respondent James Joseph Hennessy, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Hennessy must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. The parties shall bear their respective costs, including attorney's fees, except as Fees are specifically addressed below; and,
4. Any and all relief not specifically addressed herein 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	= \$ 125.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent Merrill Lynch is a party.

Member surcharge = \$ 425.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: August 11, 2003 1 session

One (1) Pre-hearing session with a single arbitrator @ \$450.00 waived by NASD
Pre-hearing conference: October 15, 2003 1 session

Total Forum Fees = \$ 450.00

1. The Arbitrator has assessed \$225.00 of the forum fees to Claimant.
2. The Arbitrator has assessed \$225.00 of the forum fees jointly and severally to Respondents.

EEE SUMMARY

1. Claimant is assessed the following fees:

Initial Filing Fee	= \$ 125.00
<u>Forum Fees</u>	<u>= \$ 225.00</u>
Total Fees	= \$ 350.00
<u>Less payments</u>	<u>= \$ 575.00</u>
Refund Owed Claimant	= \$ 225.00

2. Respondent Merrill Lynch is assessed the following fees:

<u>Member Fees</u>	<u>= \$ 425.00</u>
Total Fees	= \$ 425.00
<u>Less payments</u>	<u>= \$ 425.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondents are jointly and severally assessed the following fees:

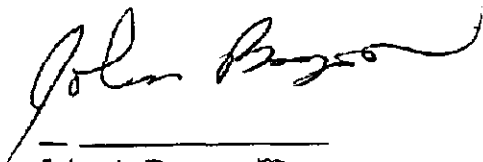
<u>Forum Fees</u>	<u>= \$ 225.00</u>
Balance Due NASD Dispute Resolution	= \$ 225.00

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

ARBITRATION PANEL

John A. Baynes, III - Public Arbitrator, Presiding Chairperson

Arbitrator's Signature ..



John A. Baynes, III
Public Arbitrator, Presiding Panelist

12/17/03

Signature Date

December 26 2003

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