

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Laura Christ, Nicholas and Jolan D'Alessio, Herbert and Rose Lieberman, Marc Schwartz and Melvin Wallshein (Claimants) v. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Steven N. Jaenichen, (Respondents).

Case Number: 03-00887

Hearing Site: New York, New York

Nature of the Dispute: Customers v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Claimants Laura Christ, Nicholas and Jolan D'Alessio, Herbert and Rose Lieberman, Marc Schwartz and Melvin Wallshein hereinafter referred to as "Claimants": James C. Shah, Esq., Shepherd, Finkelman, Miller & Shah, Media, Pennsylvania.

Respondents Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and Steven N. Jaenichen ("Jaenichen"), hereinafter collectively referred to as "Respondents": Alyson M. Weiss, Esq., John Piskora, Esq., Loeb & Loeb LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed by Claimant on or about: February 4, 2003.

Amended Statement of Claim filed by Claimant on or about: February 2, 2004.

Claimant Christ signed the Uniform Submission Agreement: January 8, 2003.

Claimant Nicholas and Jolan D'Alessio signed the Uniform Submission Agreement: January 10, 2003.

Claimant Herbert and Rose Lieberman signed the Uniform Submission Agreement: January 8, 2003.

Claimant Schwartz signed the Uniform Submission Agreement: January 8, 2003.

Claimant Wallshein signed the Uniform Submission Agreement: January 10, 2003.

Joint Motion to Dismiss and Statement of Answer filed by Respondents on or about: June 20, 2003.

Joint Motion to Dismiss and Statement of Answer filed by Respondents on or about: July 29, 2004.

Respondent Merrill Lynch signed the Uniform Submission Agreement: March 6, 2003.

Respondent Jaenichen signed the Uniform Submission Agreement: April 4, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: fraud, breach of fiduciary duty, breach of contract, failure to supervise, violations of the New York Consumer Protection Act, negligent infliction of emotional distress, unsuitability, and unjust enrichment, related to her investment portfolios. Claimant's claims involved unspecified technology and growth stocks and equities.

Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted the following defenses: failure to state a legally viable claim; Claimant directed, approved, authorized, consented to, acquiesced in, and/or ratified all transactions in their accounts; lack of causation; lack of intent; failure to mitigate damages; contributory negligence; laches, waiver and estoppel; lack of reliance; statutes of limitation; unclean hands; and voluntary assumption of the risk.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested: (1) compensatory damages in excess of \$5,000,000; (2) pre-judgment and post-judgment interest; (3) costs; (4) attorneys' fees; (5) damages for emotional pain, suffering, mental anguish and loss of enjoyment of life in excess of \$1,000,000; (6) punitive damages in excess of \$5,000,000; and (7) the return of fees and commissions.

In the Amended Statement of Claim, Claimant requested: (1) compensatory damages in excess of \$1,000,000; (2) pre-judgment and post-judgment interest; (3) costs; (4) attorneys' fees; (5) damages for emotional pain, suffering, mental anguish and loss of enjoyment of life in excess of \$500,000; (6) punitive damages in excess of \$1,000,000; and (7) the return of fees and commissions.

Respondents requested dismissal of the Amended Statement of Claim in its entirety and the assessment of all costs against Claimants. In addition, Respondents sought an Order directing the expungement this matter from the CRD record of Respondent Steven N. Jaenichen.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents moved to sever, and on January 22, 2004, the arbitration panel granted Respondents' motion, ordering that this proceeding would proceed only in regard to the claims asserted by Claimant Laura Christ.

Prior to the hearing, Respondent Steven N. Jaenichen was dismissed with prejudice by Claimant.

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

On December 3, 2004, the parties entered into a preliminary agreement to present the Panel a Stipulated Award. Now, in lieu of a further hearing and upon the joint motion of the parties for entry of an Award, the Panel grants the motion and enters this award granting the following relief:

1. The Amended Statement of Claim is dismissed in its entirety;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Steven N. Jaenichen's registration records maintained by the NASD Central Registration Depository ("CRD"), upon the consent and agreement of Claimant. Pursuant to NASD Notices to Members 99-09 and 99-54, the Panel notes that Respondent Steven N. Jaenichen must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. Each party shall bear its own costs, including attorneys' fees, except as Fees are specifically addressed below; and
4. 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	= \$ 600.00
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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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Merrill Lynch, Pierce, Fenner & Smith, Inc. is a party.

Member surcharge	= \$3,750.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Adjournment Fees

Adjournment granted during these proceedings for which fees were assessed:

September 29, 30 and October 1, 7 and 8, 2004, joint adjournment request = \$1,200.00

Claimant's share = \$600.00

Respondents share, jointly and severally = \$600.00

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 Panel @ \$1,200.00 = \$1,200.00

Pre-hearing conference: January 26, 2004 1 session

One (1) Hearing session @ \$1,200.00 = \$1,200.00

Hearing Date: September 13, 2005 1 session

Total Forum Fees = \$2,400.00

1. The Panel has assessed \$600.00 of the forum fees to Claimant.
2. The Panel has assessed \$1,800.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 600.00

Adjournment Fee = \$ 600.00

Forum Fees = \$ 600.00

Total Fees = \$ 1,800.00

Less payments = \$ 2,400.00

Refund Due Claimant = \$ 600.00

2. Respondent Merrill Lynch is solely liable for:

Member Fees = \$9,500.00

Total Fees = \$9,500.00

Less payments = \$9,500.00

Balance Due NASD Dispute Resolution = \$ 0.00

3. Respondents are jointly and severally liable for:

Forum Fees = \$1,800.00

Adjournment Fee = \$ 600.00

Total Fees = \$2,400.00

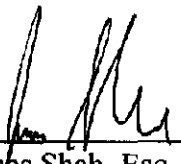
Less payments = \$ 600.00

Balance Due NASD Dispute Resolution = \$1,800.00

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

Parties' Signatures



James Shah, Esq.
Shepherd, Finkelman, Miller & Shah, LLC
Attorneys for Claimants

1/21/05

Signature Date

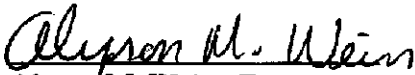
Alyson M. Weiss, Esq.
Loeb & Loeb LLP
Attorneys for Respondents

Signature Date

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James Shah, Esq.
Shepherd, Finkelman, Miller & Shah, LLC
Attorneys for Claimants

Signature Date


Alyson M. Weiss, Esq.
Loeb & Loeb LLP
Attorneys for Respondents


Signature Date

ARBITRATION PANEL

Robert M. Goldstein, Esq.	-	Public Arbitrator, Presiding Chair
Richard D. Salerno, MD	-	Public Arbitrator
Russell A. Jenkins	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Robert M. Goldstein, Esq.
Public Arbitrator, Presiding Chair

9/19/05
Signature Date

Richard D. Salerno, MD
Public Arbitrator

Signature Date

Russell A. Jenkins
Non-Public Arbitrator

Signature Date

SEPTEMBER 29, 2005
Date of Service (For NASD office use only)

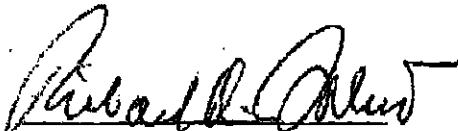
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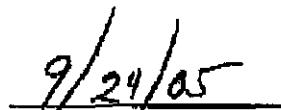
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