

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

John C. Gorman, Claimant v. Merrill Lynch, Pierce, Fenner & Smith, Inc.; Merrill Lynch Business Financial Services, Inc.; John B. Broberg; and Wilhelm G. Majewski, Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc., Counter-Claimant v. John C. Gorman, Counter-Respondent

Case Number: 03-00996

Hearing Site: San Francisco, California

Nature of the Disputes: Customer v. Member, Non-Member, and Associated Persons
Member v. Customer

REPRESENTATION OF PARTIES

For Claimant/Counter-Respondent
John C. Gorman ("Gorman"):

John C. Gorman, Esq.
Craig A. Hansen, Esq.
Gorman & Miller, PC
San Jose, California

For Respondent/Counter-Claimant
Merrill Lynch, Pierce, Fenner &
Smith, Inc. ("Merrill Lynch");
and for Respondents
John B. Broberg ("Broberg") and
Wilhelm G. Majewski ("Majewski"):

Thomas S. Arthur, Esq.
Frandzel Robins Bloom & Csato,
L.C.
Los Angeles, California

For Respondent
Merrill Lynch Business Financial Services, Inc.:

Paul M. Weltlich, Esq.
Lawrence, Kamin, Saunders &
Uhlenhop, LLC
Chicago, Illinois

CASE INFORMATION

Statement of Claim filed: February 3, 2003

Gorman's Uniform Submission Agreement signed: January 29, 2003

Joint Statement of Answer filed by Merrill Lynch, Broberg, and Majewski, including a Counterclaim by Merrill Lynch: May 22, 2003

Merrill Lynch's Uniform Submission Agreement signed: May 22, 2003

Broberg's Uniform Submission Agreement signed: March 22, 2004

Majewski's Uniform Submission Agreement signed: May 22, 2003

Gorman's Answer to Counterclaim filed: May 12, 2006

CASE SUMMARY

Gorman alleged breach of contract, error/charges, breach of fiduciary duty, unauthorized trading, and conversion. Claimant's allegation involved unspecified securities.

Merrill Lynch Business Financial Services, Inc., is not a member of NASD and declined to submit to NASD jurisdiction.

Merrill Lynch, Broberg, and Majewski denied the allegations of wrongdoing set forth in Gorman's Statement of Claim. In its Counterclaim, Merrill Lynch alleged a debit balance due.

Gorman denied the allegations of wrongdoing set forth in Merrill Lynch's Counterclaim.

RELIEF REQUESTED

Gorman requested unspecified compensatory damages, punitive damages, interest and costs, including attorney's fees.

Merrill Lynch, Broberg, and Majewski requested dismissal of Gorman's Statement of Claim in its entirety and costs, including attorney's fees. In its Counterclaim, Merrill Lynch requested \$22,885.12, interest, and costs, including attorney's fees.

Gorman requested dismissal of Merrill Lynch's Counterclaim in its entirety and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On May 20, 2003, Merrill Lynch Business Financial Services, Inc., who is not a member of NASD, declined to submit to NASD jurisdiction.

On May 12, 2006, Gorman dismissed Majewski from this arbitration matter.

On October 17, 2006, the first day of the hearing, the parties reached a settlement and requested a stipulated award that included the substantive portion of the parties' settlement agreement and a recommendation to expunge all references to this matter from Broberg's registration records maintained by NASD's Central Registration Depository ("CRD"). The Panel granted the parties' request. Later, the parties advised NASD that only the expungement recommendation was required to be included in the Stipulated Award.

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

STIPULATED AWARD

After considering the parties' Stipulation, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) The parties have reached a settlement agreement.
- 2) The Panel recommends the expungement of all references to the above-captioned arbitration from John B. Broberg'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, John B. Broberg 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.
- 4) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure, 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	= \$ 250.00
Respondent Merrill Lynch's Counterclaim filing fee	= \$ 750.00

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 that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Merrill Lynch is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,200.00</u>
Total Member Fees	= \$ 4,450.00

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

Parties settled within three business days before the start of the October 18, 2006 scheduled hearing	= \$ 300.00
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1. The panel waived the three-day cancellation fee.

Forum Fees and Assessments

The Panel assessed forum fees for each session conducted or each decision rendered on a discovery-related motion decided on the papers. 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:

(1) Pre-hearing conference session with the Panel @ \$1,000.00/session = \$ 1,000.00
Pre-hearing conference: February 7, 2006 1 session

(1) Hearing session @ \$1,000.00/session = \$ 1,000.00
Hearing: October 17, 2006 1 session

Total Forum Fees = \$ 2,000.00

1. The Panel assessed \$1,000.00 of the forum fees to Gorman.
2. The Panel assessed \$1,000.00 of the forum fees to Merrill Lynch.

Fee Summary

1. Gorman is charged with the following fees and costs:

Initial Filing Fee	= \$ 250.00
Forum Fees	= \$ 1,000.00
Total Fees	= \$ 1,250.00
Less payments	= \$(1,250.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Merrill Lynch is charged with the following fees and costs:

Counterclaim Filing Fee	= \$ 750.00
Member Fees	= \$ 4,450.00
Forum Fees	= \$ 1,000.00
Total Fees	= \$ 6,200.00
Less payments	= \$(5,650.00)
Balance Due NASD Dispute Resolution	= \$ 550.00

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



John C. Gorman, Esq.
Claimant

12-14-06
Signature Date

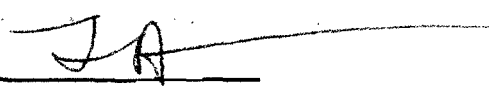
Thomas S. Arthur, Esq.
Attorney for
Respondent/Counter-Claimant
Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch");
and for Respondents
John B. Broberg ("Broberg") and
Wilhelm G. Majewski ("Majewski")

Signature Date

Parties' Signatures

John C. Gorman, Esq.
Claimant

Signature Date



Thomas S. Arthur, Esq.
Attorney for
Respondent/Counter-Claimant
Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch");
and for Respondents
John B. Broberg ("Broberg") and
Wilhelm G. Majewski ("Majewski")



Signature Date

ARBITRATION PANEL

Richard L. Jaeger	-	Public Arbitrator, Presiding Chair
Omar J. Brubaker	-	Public Arbitrator
Christopher W. Allick	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Richard L. Jaeger
Chair, Public Arbitrator

12/22/01
Signature Date

Omar J. Brubaker
Public Arbitrator

Signature Date

Christopher W. Allick
Non-Public Arbitrator

Signature Date

12/26/06
Date of Service
(NASD Use Only)


ARBITRATION PANEL

Richard L. Jaeger	-	Public Arbitrator, Presiding Chair
Omar J. Brubaker	-	Public Arbitrator
Christopher W. Allick	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Richard L. Jaeger
Chair, Public Arbitrator

Signature Date



Omar J. Brubaker
Public Arbitrator

12/15/06

Signature Date

Christopher W. Allick
Non-Public Arbitrator

Signature Date

12/26/06

Date of Service
(NASD Use Only)

ARBITRATION PANEL

Richard L. Jaeger	-	Public Arbitrator, Presiding Chair
Omar J. Brubaker	-	Public Arbitrator
Christopher W. Allick	-	Non-Public Arbitrator

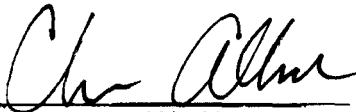
Concurring Arbitrators' Signatures

Richard L. Jaeger
Chair, Public Arbitrator

Signature Date

Omar J. Brubaker
Public Arbitrator

Signature Date



Christopher W. Allick
Non-Public Arbitrator

12/18/06

Signature Date

12/26/06

Date of Service
(NASD Use Only)