

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Victor Hazan v. Merrill Lynch, Pierce, Fenner & Smith Inc. and Stephen Mark Friedman

Case Number: 03-01128

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Victor Hazan ("Hazan") hereinafter referred to as "Claimant": Jerome Olitt, Esq.
Arbitration & Mediation Specialists, Inc., Stamford, Connecticut.

Respondents Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill Lynch") and Stephen Mark
Friedman ("Friedman") hereinafter collectively referred to as "Respondents": Brian R. Socolow,
Esq. and Laurie Mangelinkx, Esq. of Loeb & Loeb LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: February 11, 2003.

Claimant signed the Uniform Submission Agreement signed: February 11, 2003.

Joint Statement of Answer filed by Respondents on or about: May 12, 2003.

Merrill Lynch signed Uniform Submission Agreement signed: May 12, 2003.

Friedman signed the Uniform Submission Agreement signed: May 12, 2003 (and a replacement
Agreement signed on June 2, 2003).

CASE SUMMARY

Claimant alleged causes of action against Respondents including fraud, unsuitable investments,
breach of fiduciary duties, failure to supervise, negligence and violations of federal securities
law. Claimant's claim involved unspecified financial products.

Respondents denied all of the allegations of wrongdoing set forth in Claimant's Statement of
Claim. Respondents claimed that Claimant directed and controlled his own accounts and that the
losses he sustained were the result of his unsolicited trading and the general market downturn
between the years 2000 and 2002. Respondents claimed that Claimant is an experienced and
knowledgeable investor who appreciated all of the risks of the investments in his accounts.

RELIEF REQUESTED

Claimant requested compensatory damages in an amount of \$1,015,000, plus a return of all brokerage commissions and fees, and the costs of this action, including attorneys' fees.

Respondents requested denial of Claimant's claims, and that the Panel award Respondents attorneys' fees and costs. Respondents also requested expungement of this matter from Mr. Friedman's CRD record maintained by the NASD.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, Stephen Mark Friedman was dismissed with prejudice by Claimant.

Prior to the hearing, the parties fully and finally settled all claims by and between them. Therefore, the Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The parties have amenablely resolved their differences and have requested this Stipulated Award.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Stephen Mark Friedman'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 Friedman 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 attorney's 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 = \$ 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. Accordingly, Merrill Lynch, Pierce, Fenner & Smith, Inc. is a party.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 22, 23, 27 & 28, 2004 adjournment requested by Respondents = Waived

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:

= \$1,200.00

One (1) Pre-hearing session with Panel @ \$1,200.00

Pre-hearing conference: November 4, 2003 1 session

Total Forum Fees = \$1,200.00

1. The Panel has assessed \$600.00 of the forum fees to Claimant.
2. The Panel has assessed \$600.00 of the forum fees to Merrill Lynch.

Fee Summary

1. Claimant, Victor Hazan, is solely liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 600.00
Total Fees	= \$1,100.00
Less payments	= \$1,700.00
Refund Due Claimant	= \$ 600.00

2. Respondent, Merrill Lynch, Pierce, Fenner & Smith Inc., is solely liable for:


Member Fees	= \$8,550.00
Forum Fees	= \$ 600.00
Total Fees	= \$9,150.00
Less payments	= \$8,000.00
Balance Due NASD Dispute Resolution	= \$1,150.00

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

Parties' Signatures

Brian R. Socolow
Loeb & Loeb LLP
Attorney for Respondents

Signature Date



Jerome Olitt
Arbitration and Mediation Specialists, Inc.
Attorney for Claimant

8/2/04
Signature Date

Parties' Signatures



Brian R. Socolow
Loeb & Loeb LLP
Attorney for Respondents

8/5/04
Signature Date

Jerome Olitt
Arbitration and Mediation Specialists, Inc.
Attorney for Claimant

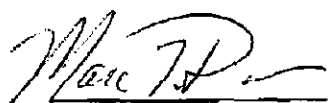
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ARBITRATION PANEL

Marc T. Danon, Esq.	-	Public Arbitrator, Presiding Chairperson
Carol E. Weir, Esq.	-	Public Arbitrator
Stephen J. Storen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Marc T. Danon, Esq.
Public Arbitrator, Presiding Chairperson

8-26-04

Signature Date

Carol E. Weir, Esq.
Public Arbitrator

Signature Date

Stephen J. Storen
Non-Public Arbitrator

Signature Date

September 15, 2004
Date of Service

ARBITRATION PANEL

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Carol E. Weir, Esq.	-	Public Arbitrator
Stephen J. Storen	-	Non-Public Arbitrator

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Public Arbitrator

9/5/04

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Stephen J. Storen
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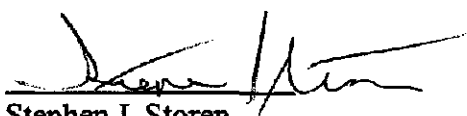
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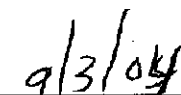
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