

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Harold Hahn (Claimant) v. Merrill Lynch, Pierce, Fenner & Smith Incorporated, Scott Erickson and Peter Meme (Respondents)

Case Number: 03-01151

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Harold Hahn ("Claimant"): Douglas S. Knehr, Esq., Douglas S. Knehr, LLC, Lawrenceville, NJ.

Respondents Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Scott Erickson ("Erickson") and Peter Meme ("Meme") hereinafter collectively referred to as "Respondents": James M. Bergen, Esq. and Kristin O. Holland, Esq., Dorsey & Whitney LLP, New York, NY.

CASE INFORMATION

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

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

Joint Statement of Answer filed by Respondents on or about: April 16, 2003.

Joint Amended Statement of Answer filed by Respondents on or about: June 4, 2003.

Respondent Merrill Lynch signed the Uniform Submission Agreement: May 8, 2003.

Respondent Erickson signed the Uniform Submission Agreement: March 10, 2003.

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

CASE SUMMARY

Claimant asserted the following causes of action: quantitatively excessive and unsuitable trading, improper discretionary trading, unauthorized trading, violations of federal and state securities laws, common law fraud, breach of fiduciary duties and failure to supervise. Claimant's claim involved unspecified common stock.

In their Answer and Amended Answer Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$1,112,265.80; punitive damages equal to treble the compensatory damages in the amount of \$3,336,797.40; interest in the amount of \$1,800.00; costs, attorney's fees; well-managed account damages; and such other relief deemed appropriate by the Arbitrator Panel.

Respondents requested a dismissal of all claims against them with prejudice, that Respondents be awarded attorneys' fees, costs, disbursements and such other relief deemed appropriate by the Arbitrator Panel, that Hahn be directed to pay any and all arbitration forum fees and costs, that all references to this matter be expunged from the NASD Central Registration Depository ("CRD") record of Respondent Erickson, and such other and further relief as the Arbitration Panel may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about February 27, 2004, the Parties reached a full and fair resolution of all claims, which were brought, or which could have been brought, in the Arbitration. On or about March 16, 2004, the Parties filed with NASD Dispute Resolution ("NASDR") a Stipulation of Dismissal With Prejudice and a Stipulation of Dismissal With Prejudice and Expungement, wherein the parties agreed to the following: all claims against Respondents be dismissed with prejudice; Claimant and Respondents, as to each other, shall bear their respective costs, forum fees and attorneys' fees; and all references to this matter be expunged from the NASD Central Registration Depository ("CRD") record of Respondent Erickson. Subsequently, the Parties submitted this Stipulated Award to the Arbitrator Panel for its consideration and request that it be entered.

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

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. All claims of the Claimant against Respondents Merrill Lynch, Erickson, and Meme are hereby dismissed, with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Erickson's registration records maintained by the CRD,

with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Erickson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

3. Claimant and Respondents, as to each other, shall bear their respective costs, including forum fees and attorneys' fees.
4. Any an all relief not specifically addressed herein, including punitive and/or treble damages, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. 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 persons at the time of the events giving rise to the dispute. In this matter, the member firm Merrill Lynch is a party.

Member Surcharge	= \$2,800.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference: August 14, 2003 1 session	
Total Forum Fees	= \$1,200.00

1. The Panel has assessed \$300.00 of the forum fees against Claimant.
2. The Panel has assessed \$300.00 of the forum fees against Respondent Merrill Lynch.
3. The Panel has assessed \$300.00 of the forum fees against Respondent Erickson.
4. The Panel has assessed \$300.00 of the forum fees against Respondent Meme.

Fee Summary

1. Claimant Hahn is solely liable for:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	= \$ 300.00
Total Fees	= \$ 900.00
<u>Less payments</u>	= \$1,866.50
Refund Due to Claimant Hahn	= \$ 66.50

Note: Pursuant to Rule 10332(f), NASD Dispute Resolution retained the balance of Claimant's hearing session deposit in the amount of \$900.00.

2. Respondent Merrill Lynch is solely liable for:

Member Fees	= \$8,550.00
<u>Forum Fees</u>	= \$ 300.00
Total Fees	= \$8,850.00
<u>Less payments</u>	= \$8,616.50
Balance Due NASD Dispute Resolution	= \$ 233.50

3. Respondent Erickson is solely liable for:

<u>Forum Fees</u>	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 300.00

4. Respondent Meme is solely liable for:

<u>Forum Fees</u>	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 300.00

All balances are due and payable to NASD Dispute Resolution

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
OFFICE OF DISPUTE RESOLUTION**

In the Matter of the Arbitration Between:

HAROLD HAHN,

Claimant,

- against -

**MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED, SCOTT ERICKSON
AND PETER MEME**

Respondents.

NASD CASE NO.: 03-01151

STIPULATION OF DISMISSAL WITH PREJUDICE

IT IS HEREBY STIPULATED AND AGREED by and between Claimant, Harold Hahn ("Claimant"), and Respondents, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Peter Meme (collectively "Respondents"), by and through their respective counsel, that this matter be dismissed with prejudice.

IT IS HEREBY FURTHER STIPULATED AND AGREED by and between Claimant and Respondents, by and through their respective counsel, that, as to each other, they shall bear their respective costs, forum fees and attorneys' fees.

Dated: March 11, 2004

DOUGLASS S. KNEHR LLC

By: 

Douglas S. Knehr, Esq.

208 Bakers Basin Road, Suite A
Lawrenceville, NJ 08648

Tel.: 609-219-0676

Fax: 609-219-1361

Dated: March 15, 2004

DORSEY & WHITNEY LLP

By: 

James M. Bergen, Esq.

250 Park Avenue
New York, NY 10177

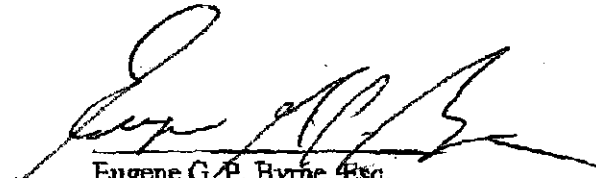
Tel.: (212) 415-9200

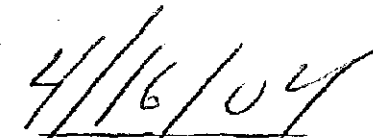
Fax: (212) 953-7201

ARBITRATION PANEL

Eugene G. P. Byrne, Esq.	-	Public Arbitrator, Presiding Chair
Lucas A. Ferrara, Esq.	-	Public Arbitrator
Larry A. Kimmel	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Eugene G. P. Byrne, Esq.
Public Arbitrator, Presiding Chair


Signature Date

Lucas A. Ferrara, Esq.
Public Arbitrator

Signature Date

Larry A. Kimmel
Non-Public Arbitrator

Signature Date

May 20, 2004

Date of Service (For NASD office use only)

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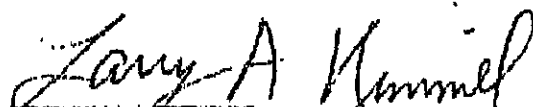
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