

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Ronen Slutzky & Shlomo Slutzky

Case Number: 03-01555

Names of the Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc.
Alan Leventen

Hearing Site: Philadelphia, PA

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

REPRESENTATION OF PARTIES

Claimants, Ronen Slutzky and Shlomo Slutzky, hereinafter collectively referred to as "Claimants", were represented by Joel S. Schneck, Esq., Goldberg, Rimberg & Friendlander, LLC, New York, New York.

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") and Alan Leventen ("Leventen"), hereinafter collectively referred to as "Respondents", were represented by Matthew C. Plant, Esq., Bressler, Amery & Ross, P.C., New York, New York.

CASE INFORMATION

Statement of Claim filed on March 4, 2003.

Claimants signed the Uniform Submission Agreement on February 3, 2003.

Statement of Answer filed by Respondents on August 13, 2003.

A representative of Respondent Merrill Lynch signed the Uniform Submission Agreement on September 12, 2003.

Respondent Alan Leventen signed the Uniform Submission Agreement on September 17, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; misrepresentation/omissions; violation of New York General Business Law § 352-c; negligence; violation of Section 10(B) and Rule 10b-5; violation of NYSE and NASD; and, fraud. The causes of action relate to the purchase and alleged refusal to sell ZapMe! Corp. ("IZAP").

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief can be granted; the Statement of Claim is barred by the doctrines of laches, waiver, ratification, estoppel and the Statute of Limitations; Respondents acted in good faith and in a commercially reasonable manner while servicing Claimants' account; failure to mitigate; Respondents did not breach any duty

to Claimants imposed by operation of law or contract; Claimants' injuries or damages are due to the acts or omissions of third parties over which Respondents had no control or right to control.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$ 35,000.00.

Respondents requested that Claimants' Statement of Claim be dismissed; that the Arbitrator enter an order expunging this claim from Leventen's permanent registration records maintained by the NASD Central Registration Depository (the "CRD"); and, that the Arbitrator award Respondents costs and other further relief as he deems just and proper.

AWARD

The Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The parties have amicably resolved their differences and have requested this Stipulated Award;
2. The Arbitrator recommends the expungement of all reference to the above-captioned arbitration from Respondent Leventen's registration records maintained by the CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Leventen 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 attorneys' 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 = \$175.00

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 is a party.

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

June 7-9, 2004 requested by Claimants = \$ waived

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 including a pre-hearing conference with the arbitrator that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$900.00
Pre-hearing conferences: October 22, 2003 1 session	
April 26, 2004 1 session	

Total Forum Fees	= \$900.00
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1. The Arbitrator has assessed \$450.00 of the forum fees to Claimants jointly and severally.
2. The Arbitrator has assessed \$225.00 of the forum fees to Respondent Merrill Lynch.
3. The Arbitrator has assessed \$225.00 of the forum fees to Respondent Leventen.

Fee Summary

1. Claimants are jointly and severally assessed and shall pay:

Initial Filing Fee	= \$ 175.00
<u>Forum Fees</u>	= \$ 450.00
Total Fees	= \$ 625.00
<u>Less payments</u>	= \$ 625.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Merrill Lynch is assessed and shall pay:

Member Fees	= \$2,625.00
<u>Forum Fees</u>	= \$ 225.00
Total Fees	= \$2,850.00
<u>Less payments</u>	= \$2,625.00
Balance Due NASD Dispute Resolution	= \$ 225.00

3. Respondent Leventen is assessed and shall pay:

<u>Forum Fees</u>	= \$ 225.00
Total Fees	= \$ 225.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 225.00

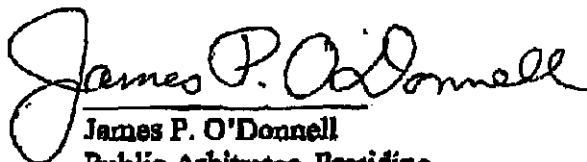
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

PRESIDING ARBITRATOR

James P. O'Donnell

Public Arbitrator, Presiding

Arbitrator's Signature


James P. O'Donnell
Public Arbitrator, Presiding

2/17/05
Signature Date

February 17, 2005
Date of Service (For NASD Dispute Resolution office use only)