

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Jack E. Cline
Martha Cline

Case Number: 03-01819

Names of the Respondents

Merrill Lynch
Kenneth M. Bluestein
Jim Sumpter

Hearing Site: Atlanta, Georgia

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

REPRESENTATION OF PARTIES

For Jack E. Cline and Martha Cline, hereinafter collectively referred to as "Claimants": Joe R. Whatley, Jr., Esq. and Richard S. Frankowski, Esq., Whatley Drake, LLC, Birmingham, Alabama.

For Merrill Lynch ("Merrill"), Kenneth M. Bluestein ("Bluestein") and Jim Sumpter ("Sumpter"), hereinafter collectively referred to as "Respondents": Peter S. Fruin, Esq. and Julie Wilson Portera, Esq., Maynard, Cooper & Gale, P.C., Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: March 10, 2003.

Claimants signed the Uniform Submission Agreement: February 13, 2003.

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

Respondent Merrill signed the Uniform Submission Agreement: April 23, 2003.

Respondents Bluestein and Sumpter signed the Uniform Submission Agreements: June 20, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: reckless or negligent behavior; breach of fiduciary duty; failure to supervise; suitability; misrepresentation; and, violations of state and federal securities laws. The causes of action relate to the purchases of shares of stock of China Mobile, Korea Telecom, Taiwan Manufacturing, Brit Telecom, Alcatel S.A., AT&T Wireless, EDS, AOL Time Warner and other unspecified equities in Claimants' account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$250,000.00 and punitive damages of \$750,000.00

Respondents requested that this Panel issue an Award dismissing the Statement of Claim in its entirety, order that all references to this matter be specifically ordered to be expunged from Respondents Bluestein and Sumpter's respective individual Central Registration Depository ("CRD") records, assess all costs and forum fees against Claimants, and grant Respondents such other, further and different relief as the arbitration panel deemed appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

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

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

After a hearing on Respondents' motion for an expungement from the CRD system of the customer dispute information concerning Respondents Bluestein and Sumpter, the Panel affirmatively determined that both Respondents Bluestein and Sumpter were not involved in the alleged investment-related sales practice violations, and that the CRD records of Respondents Bluestein and Sumpter relating to this case should be expunged.

As such, the Panel recommends the expungement of all references to the above captioned arbitration from Respondents Bluestein and Sumpter's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Bluestein and Sumpter must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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	= \$375.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$750.00
Hearing process fee	= \$4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$450.00
Pre-hearing conference: January 6, 2004 1 session	
One (1) Pre-hearing session with the Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: October 22, 2003 1 session	
One (1) Hearing session @ \$1,200.00	= \$1,200.00
Hearing Date: August 24, 2004 1 session	
<hr/> Total Forum Fees	<hr/> = \$2,850.00

The Panel has assessed the total forum fees of \$2,850.00 to Respondent Merrill.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$375.00
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Total Fees	= \$375.00
Less payments	= \$375.00
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Balance Due NASD Dispute Resolution	= \$0.00

Respondent Merrill is solely liable for:

Member Fees	= \$7,000.00
Forum Fees	= \$2,850.00

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Total Fees	= \$9,850.00
Less payments	= \$7,000.00
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Balance Due NASD Dispute Resolution	= \$2,850.00

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

ARBITRATION PANEL

Anne H. Orr, J.D.	-	Public Arbitrator, Presiding Chair
James J. Dalton, II, Esq.	-	Public Arbitrator
James H. Bradford	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/_____
Anne H. Orr, J.D.
Public Arbitrator, Presiding Chair

Signature Date

_____/S/_____
James J. Dalton, II, Esq.
Public Arbitrator

Signature Date

_____/S/_____
James H. Bradford
Non-Public Arbitrator

Signature Date

October 4, 2004
Date of Service (For NASD Dispute Resolution office use only)

Total Fees	= \$375.00
Less payments	= \$375.00

Balance Due NASD Dispute Resolution	= \$0.00
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Less payments	= \$7,000.00

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James J. Dalton, II, Esq.	-	Public Arbitrator
James H. Bradford	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Anne H. Orr, J.D.
Public Arbitrator, Presiding Chair

9-10-04

Signature Date

James J. Dalton, II, Esq.
Public Arbitrator

Signature Date

James H. Bradford
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
 Arbitration No. 03-01819
 Award Page 4

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James J. Dalton, II, Esq.	-	Public Arbitrator
James H. Bradford	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

 Anne H. Orr, J.D.
 Public Arbitrator, Presiding Chair

 Signature Date


 James J. Dalton, II, Esq.
 Public Arbitrator


 Signature Date

 James H. Bradford
 Non-Public Arbitrator

 Signature Date

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James J. Dalton, II, Esq.	-	Public Arbitrator
James H. Bradford	-	Non-Public Arbitrator

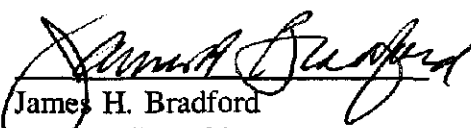
Concurring Arbitrators' Signatures

Anne H. Orr, J.D.
Public Arbitrator, Presiding Chair

Signature Date

James J. Dalton, II, Esq.
Public Arbitrator

Signature Date



James H. Bradford
Non-Public Arbitrator



Signature Date

Date of Service (For NASD Dispute Resolution office use only)