

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of Claimants

Julia Nell Delao and Deanna Lang Campise

and

Case Number: 03-01967
Hearing Site: Houston, Texas

Names of Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc.
and Carl Lee Thompson

NATURE OF DISPUTE

Customers v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Julia Nell Delao and Deanna Lang Campise ("**Claimants**") were represented by Daniel Kirshbaum, Esq., Axelrod, Smith & Kirshbaum, Houston, Texas.

Merrill Lynch, Pierce, Fenner & Smith, Inc. ("**Merrill Lynch**") and Carl Lee Thompson ("**Thompson**"), hereinafter collectively referred to as "Respondents," were represented by Jack Ballard, Esq., The Ballard Law Firm, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about March 19, 2003. The Uniform Submission Agreement of Claimants, Julia Nell Delao and Deanna Lang Campise, was signed on or about March 4, 2003.

The Joint Statement of Answer was filed by Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Carl Lee Thompson, on or about May 29, 2003. The Uniform Submission Agreements of Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Carl Lee Thompson, were signed on or about May 28, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: fraud, misrepresentations, failure to supervise, breach of fiduciary duty, breach of contract, negligence and violation of state and federal securities laws. The causes of action related to investments held in Claimants'

accounts at Merrill Lynch.

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Carl Lee Thompson, denied the allegations made in the Statement of Claim and asserted defenses including the following: to the extent Claimants incurred any damages, such damages were attributable to market conditions and/or Claimants' own negligence and not to any acts or omissions of Respondents; ratification; failure to mitigate; assumption of risk by Claimants and failure to state a claim.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$135,000.00
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Other Costs	Unspecified
Attorneys' Fees	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees. Respondent Thompson requested expungement of all reference to this matter from his CRD.

OTHER ISSUES CONSIDERED & DECIDED

Claimants and Respondents advised NASD that on or about January 31, 2005, they entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the originals remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Claimants' claims against Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Carl Lee Thompson, are dismissed with prejudice;

- 2.) The panel recommends the expungement, of all references to the above captioned arbitration from Respondent Carl Lee Thompson's registration record maintained by NASD Central Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent, Carl Lee Thompson, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) Any and all relief not specifically addressed herein, including attorneys' fees and costs is denied and all claims are dismissed with prejudice.

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 = \$ 300.00

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. In this matter, the member firm is Merrill Lynch, Pierce, Fenner & Smith, Inc.

Member surcharge = \$1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$2,750.00

Adjournment Fees

Adjournments granted during these proceedings:

June 8-11, 2004, adjournment requested by Claimants = \$1,125.00

Forum Fees and Assessments

The Arbitration 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. Fees associated with these proceedings are:

Four (4) Pre-hearing sessions with Panel x \$1,125.00	= \$4,500.00
Pre-hearing conferences:	
September 4, 2003	1 session
June 8, 2004	1 session
December 9, 2004	1 session
December 16, 2004	1 session
Six (6) Hearing sessions x \$1,125.00	= \$6,750.00
Hearing Dates:	
December 21, 2004	2 sessions
December 22, 2004	2 sessions
January 31, 2005	2 sessions
Total Forum Fees	= \$11,250.00

The Arbitration Panel has assessed \$5,625.00 of the forum fees jointly and severally to Julia Nell Delao and Deanna Lang Campise.

The Arbitration Panel has assessed \$5,625.00 of the forum fees jointly and severally to Merrill Lynch, Pierce, Fenner & Smith, Inc. and Carl Lee Thompson.

Fee Summary

Claimants, Julia Nell Delao and Deanna Lang Campise, are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 5,625.00
Total Fees	= \$ 7,050.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 5,625.00

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

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$.00

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Carl Lee Thompson, are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 5,625.00
<u>Total Fees</u>	= \$ 5,625.00
<u>Less payments</u>	= \$ 2,750.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 2,875.00

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

ARBITRATION PANEL

Walton L. Huff – Public Arbitrator, Presiding Chair
Frank M. Romano - Public Arbitrator
Carol Ann Stapper - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Walton L. Huff
Walton L. Huff
Public Arbitrator, Presiding Chair

February 17, 2005
Signature Date

/s/ Frank M. Romano
Frank M. Romano
Public Arbitrator

February 17, 2005
Signature Date

/s/ Carol Ann Stapper
Carol Ann Stapper
Non-Public Arbitrator

February 16, 2005
Signature Date

February 22, 2005
Date of Service (For NASD office use only)

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Carl Lee Thompson, are jointly and severally liable for:

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Concurring Arbitrators:

Walton L. Huff
Public Arbitrator, Presiding Chair

Signature Date



Frank M. Romano
Public Arbitrator

2/17/05

Signature Date

Carol Ann Stapper
Non-Public Arbitrator

Signature Date

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Concurring Arbitrators:

Walton L. Huff
Public Arbitrator, Presiding Chair

Signature Date

Frank M. Romano
Public Arbitrator

Signature Date


Carol Ann Stapper
Non-Public Arbitrator

2-16-05
Signature Date

Date of Service (For NASD office use only)