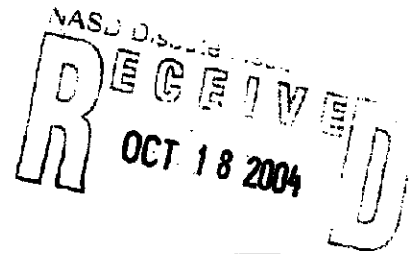


**STIPULATED AWARD
NASD Dispute Resolution**



In the Matter of the Arbitration Between

Names of Claimants

Edward and Adele Goldberg

and

Case Number: 03-02162

Hearing Site: Chicago, IL

Names of Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc., and
Christopher Garrity

NATURE OF CASE

Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

Edward and Adele Goldberg ("Claimants") were represented by Sandor Grossman, Esq., Law Offices of Sandor Grossman, Chicago, IL.

Merrill Lynch, Pierce, Fenner & Smith, Inc., ("Merrill Lynch") and Christopher Garrity ("Garrity"), hereinafter, collectively referred to as ("Respondents"), were represented by David E. Bamberger, Esq., Merrill Lynch, Pierce, Fenner & Smith, Inc., New York, NY.

CASE INFORMATION

The Statement of Claim was filed on or about March 25, 2003. Claimants signed the Uniform Submission Agreement on March 10, 2003.

Respondents Merrill Lynch and Garrity jointly filed a Statement of Answer on or about June 20, 2003.

Respondent Merrill Lynch signed the Uniform Submission Agreement on or about October 24, 2003.

Respondent Garrity signed the Uniform Submission Agreement on or about October 22, 2003.

CASE SUMMARY

Claimants asserted the following causes of actions: unsuitability, failure to supervise,

breach of fiduciary duty, omission of facts, and negligence. The causes of action related to Claimants' allegations that Respondents wrongfully recommended and effectuated the purchase of various unspecified securities.

Unless specifically admitted in its Answer, Respondents Merrill Lynch and Garrity denied the allegations made in the Statement of Claim and asserted various affirmative defenses, including the following: :

1. Claimant failed to state a claim upon which relief can be granted.
2. Claimants' losses were proximately by the Claimants' own conduct or negligence.
3. Claimants' have failed to act to mitigate their alleged damages.
4. Claimants authorized, ordered, approved, participated in and ratified the acts and transactions complained of and upon which recovery is sought and the Claimants are accordingly estopped from recovery herein.
5. All transactions upon which Claimants base their alleged claims against Respondents were conducted in accordance with all applicable NASD and Exchange Rules and Regulations and in compliance with all applicable provisions of state and federal law.
6. Respondent Merrill Lynch properly supervised the servicing of the Claimants' account.
7. Respondents reserve the right pending completion of its investigation and pre-hearing discovery to assert such additional defenses as may exist.

RELIEF REQUESTED

Claimants requested an award of approximately \$23,457.00 in compensatory damages, plus punitive and exemplary damages, interest, costs, attorneys' fees and any other relief the panel deemed appropriate.

Respondents Merrill Lynch and Garrity requested that the claims asserted against them be dismissed in their entirety with prejudice and that they be awarded reimbursement of all legal fees, costs and expenses and expungement of all references to this arbitration from the records of Respondent Garrity's registration records maintained by the NASD Central Registration Depository (CRD).

OTHER ISSUES CONSIDERED & DECIDED

This case settled and Claimants, Adele and Edward Goldberg and Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc., and Christopher J. Garrity have executed a Settlement Agreement and Release.

This Stipulated Award was prepared, in part, based on a proposed award document submitted by Respondents, Merrill Lynch Pierce Fenner & Smith, Inc., and Christopher J. Garrity.

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 the NASD Dispute Resolution (the "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 Christopher Garrity are hereby dismissed in their entirety with prejudice pursuant to the parties' Settlement Agreement.
- 2.) The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Christopher J. Garrity's registration records maintained by the NASD Central Registration Depository ("CRD") with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Christopher J. Garrity 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.
- 4.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied 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	= \$ 125.00
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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 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 = \$ 425.00

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:

One (1) Pre-hearing session with the Panel	x \$ 450.00	= \$450.00
Pre-hearing Conference: October 8, 2003	1 session	
Total Forum Fees		= \$450.00

The Arbitration Panel has assessed \$225.00 of the forum fees jointly and severally to Claimants Adele and Edward Goldberg.

The Arbitration Panel has assessed \$225.00 of the forum fees jointly and severally to Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc., and Christopher Garrity.

Fee Summary

Claimants, Adele and Edward Goldberg is liable for:

Initial Filing Fee	= \$ 125.00
Forum Fees	= \$ 225.00
Total Fees	= \$ 350.00
Less payments	= \$ 575.00
Refunded by NASD Dispute Resolution	= \$ 225.00

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

Member Fees	= \$ 425.00
Total Fees	= \$ 425.00
Less payments	= \$ 950.00
Refunded by NASD Dispute Resolution	= \$ 525.00

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Christopher Garrity are jointly and severally liable for:

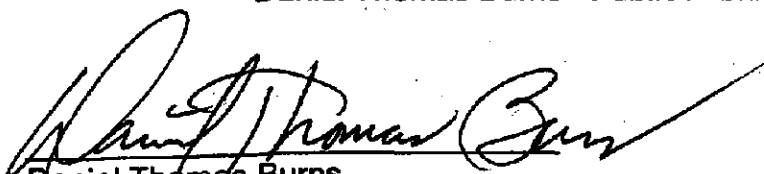
Forum Fees	= \$225.00
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Total Fees	= \$225.00
<u>Less payments</u>	<u>= \$225.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Daniel Thomas Burns - Public Arbitrator, Presiding Chair



Daniel Thomas Burns
Public Arbitrator, Presiding Chairperson

10/14/04

Signature Date

10/24/04

Date of Service (For NASD office use only)