

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of Claimants

Lanny W. and Loma C. Latil

and

Case Number: 03-02202
Hearing Site: Houston, Texas

Names of Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc.,
John P. Parker, Linda L. Gibson and
Scott D. Jones

NATURE OF DISPUTE

Customers v. Member Firm and Associated Persons

REPRESENTATION OF PARTIES

Lanny W. and Loma C. Latil ("**Claimants**") were represented by Richard L. Coffman, Esq., Shelden, Jorden & Dunham, Beaumont, Texas.

Merrill Lynch, Pierce, Fenner & Smith, Inc. ("**Merrill Lynch**"), John P. Parker, ("**Parker**"), Linda L. Gibson ("**Gibson**") and Scott D. Jones ("**Jones**") hereinafter collectively referred to as "**Respondents**," were represented by Jonathan Wehle, Esq., Merrill Lynch, Pierce, Fenner & Smith, Inc., New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about March 26, 2003. The Submission Agreements of Claimants, Lanny W. and Loma C. Latil, were signed on or about March 25, 2003.

The Joint Statement of Answer was filed by Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc., John P. Parker, Linda L. Gibson and Scott D. Jones, on or about June 26, 2003. The Submission Agreement of Respondent, Merrill Lynch, Pierce, Fenner & Smith, Inc., was signed on or about June 25, 2003. The Submission Agreement of Respondent, John P. Parker, was signed on or about May 15, 2003. The Submission Agreement of Respondent, Linda L. Gibson, was signed on or about June 25, 2003. The Submission Agreement of Respondent, Scott D. Jones, was signed on or about April 22, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; suitability; misrepresentations; negligence; failure to supervise; violation of Section 10(b)5 of the Securities and Exchange Act of 1934; violation of Texas Blue Sky law; violation of the Texas Deceptive Trade Practices Act and breach of contract. The claims arose from the collective mishandling of Claimants' retirement accounts. The claims arose from the purchase of various unspecified stocks.

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc., John Parker, Linda Gibson and Scott Jones, denied the allegations made in the Statement of Claim and asserted defenses including the following: Claimants failed to mitigate their alleged damages; Claimants assumed the risk of these transactions and therefore may not recover; Claimants are barred from bringing the claims asserted in the Statement of Claim by the doctrines of laches, waiver, ratification and estoppel; and the Statement of Claim fails to state a claim upon which relief can be granted.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$ 350,000.00
Punitive/Exemplary Damages	\$1,000,000.00
Attorney's Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified
Treble Damages	\$1,050,000.00
Interest	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that an award recommending an expungement of the claims asserted against Parker, Gibson and Jones be entered by the panel.

OTHER ISSUES CONSIDERED & DECIDED

Claimants and Respondents advised that on or about July 15, 2004, 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 orders as follows:

- 1.) Claimants' claims against Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc., John P. Parker, Linda L. Gibson and Scott D. Jones are *dismissed with prejudice*;
- 2.) The panel recommends the expungement, of all references to the above captioned arbitration from Respondents, John P. Parker's, Linda L. Gibson's and Scott D. Jones', registration records maintained by the NASD Central Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondents Parker, Gibson and Jones 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 = \$500.00

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 persons 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 = \$2,800.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$5,000.00

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 Panel x \$1,200.00 = \$1,200.00
Pre-hearing conference: November 18, 2003 1 session

Total Forum Fees = \$1,200.00

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Lanny W. and Loma C. Latil.

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Merrill Lynch, Pierce, Fenner & Smith, Inc., John P. Parker, Linda L. Gibson and Scott D. Jones.

Fee Summary

Claimants, Lanny W. and Loma C. Latil, are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 600.00
Total Fees	= \$1,100.00
Less payments	= \$1,700.00
Balance Refunded to Claimants	= \$ 600.00

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

Member Fees	= \$8,550.00
Total Fees	= \$8,550.00
Less payments	= \$8,550.00
Balance Due NASD Dispute Resolution	= \$.00

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. John P. Parker, Linda L. Gibson Scott D. Jones, are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$.00

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

ARBITRATION PANEL

Jack Chapline Vaughan, Esq. - Public Arbitrator, Presiding Chair
Russell E. Rains, Esq. - Public Arbitrator
Thomas C. Gallo, Jr. - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Jack Chapline Vaughan
Jack Chapline Vaughan
Public Arbitrator, Presiding Chair

October 21, 2004
Signature Date

/s/ Russell E. Rains
Russell E. Rains
Public Arbitrator

October 26, 2004
Signature Date

/s/ Thomas C. Gallo, Jr.
Thomas C. Gallo, Jr.
Non-Public Arbitrator

October 21, 2004
Signature Date

October 29, 2004
Date of Service (For NASD office use only)

ARBITRATION PANEL

Jack Chapline Vaughan, Esq. - Public Arbitrator, Presiding Chair
Russell E. Rains, Esq. - Public Arbitrator
Thomas C. Gallo, Jr. - Non-Public Arbitrator

Concurring Arbitrators:

Jack Vaughan
Jack Chapline Vaughan
Public Arbitrator, Presiding Chair

October 21, 2004
Signature Date

Russell E. Rains
Public Arbitrator

Signature Date

Thomas C. Gallo, Jr.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Jack Chapline Vaughan, Esq. - Public Arbitrator, Presiding Chair
Russell E. Rains, Esq. - Public Arbitrator
Thomas C. Gallo, Jr. - Non-Public Arbitrator

Concurring Arbitrators:

Jack Chapline Vaughan
Public Arbitrator, Presiding Chair

Signature Date



Russell E. Rains
Public Arbitrator

10-26-07

Signature Date

Thomas C. Gallo, Jr.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

Jack Chapline Vaughan, Esq. - Public Arbitrator, Presiding Chair
Russell E. Rains, Esq. - Public Arbitrator
Thomas C. Gallo, Jr. - Non-Public Arbitrator

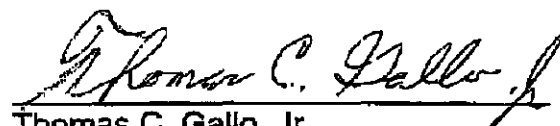
Concurring Arbitrators:

Jack Chapline Vaughan
Public Arbitrator, Presiding Chair

Signature Date

Russell E. Rains
Public Arbitrator

Signature Date



Thomas C. Gallo, Jr.
Non-Public Arbitrator

10/21/04

Signature Date

Date of Service (For NASD office use only)