

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Linda Gusnowski, as Trustee for
the Helen O'Connell Inter Vivos Trust

and

Case Number: 03-02426
Hearing Site: Houston, Texas

Names of Respondents

Merrill Lynch, Pierce, Fenner and Smith, Inc., and
Gregory John Roel

NATURE OF CASE

Customer v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Linda Gusnowski, as Trustee for the Helen O'Connell Inter Vivos Trust ("**Claimant**") was represented by David E. Dunham, Esq., Donald R. Taylor, Esq., and Steven D. Urban, Esq., Taylor & Dunham, L.P., in Austin, Texas.

Merrill Lynch, Pierce, Fenner and Smith, Inc., ("**Merrill Lynch**") and Gregory John Roel ("**Roel**"), hereinafter collectively referred to as "**Respondents**", were represented by John Kincade, Esq., and Elliot Clark, Esq., Winstead Sechrest & Minick P.C., in Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about March 27, 2003.

The Submission Agreement of Claimant was signed on or about March 25, 2003.

The Joint Statement of Answer was filed by Respondents, Merrill Lynch and Roel, on or about June 6, 2003.

The Submission Agreement of Respondent, Merrill Lynch, was signed on or about June 16, 2003.

The Submission Agreement of Respondent, Roel, was signed on or about June 6, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability, failure to supervise, breach of contract, breach of warranties, promissory estoppel, DTPA violations, securities exchange act violations, self-dealing, unjust enrichment, breach of fiduciary duty, negligence and gross negligence. The causes of action relate to the recommendation and purchase of unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: the investment decisions were directed, authorized, consented to, acquiesced in, and/or ratified by Claimant's predecessor Trustee; Claimant failed to state a claim upon which relief can be granted; Claimant failed to particularize facts establishing a legal theory under which Respondents could be held liable; any losses suffered by Claimant were due to historical, market or economic conditions beyond Respondents' control; Respondents acted properly and in good faith; Respondents never guaranteed any level of return on investments; Claimants' claims were barred in whole or in part by contributory and/or comparative negligence; Claimant's claims were barred by waiver, ratification, estoppel and laches; Respondent Merrill Lynch was not negligent in its supervision of Respondent Roel; Claimant failed to mitigate damages; Claimant was apprised fully of the nature and risk of investments; Claimant was barred by "unclean hands"; Claimant's claims were barred by limitations; and Claimant had no private cause of action for exchange rules violations.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory	\$500,000
Punitive/Exemplary	Unspecified
Interest	Unspecified
Other Costs	Unspecified
Attorney's 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, attorneys' fees and expungement.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed to a confidential settlement of this dispute. The parties agree that the initial investment recommendations that were the subject of the complaint were not made by Respondent Roel. Claimant agrees that this matter should be expunged from Respondent Roel's CRD record.

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 original(s) 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.) Claimant's claims, each and all are dismissed with prejudice pursuant to the parties' settlement agreement;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Roel's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Roel must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
- 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 = \$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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is Merrill, Lynch, Fenner and Smith, Inc.

Member surcharge	= \$1700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2750.00

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 \$1125.00	= \$1125.00
Pre-hearing conference: September 16, 2003	1 session
Total Forum Fees	= \$1125.00

The Arbitration Panel has assessed \$1125.00 of the forum fees to Linda Gusnowski, as Trustee for the Helen O'Connell Inter Vivos Trust.

The Arbitration Panel has assessed \$1125.00 of the forum fees jointly and severally to Respondents, Merrill Lynch, Pierce, Fenner and Smith, Inc., and Gregory John Roel.

Pursuant to Rule 10332(g) of NASD Code of Arbitration Procedures, since NASD Dispute Resolution received notice of the settlement within eight business days of the first scheduled hearing, \$562.50 of the Claimant's remaining hearing session deposit is retained.

FEE SUMMARY

Claimant, Linda Gusnowski, as Trustee for the Helen O'Connell Inter Vivos Trust., is liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Hearing Session Deposit Retained	= \$ 562.50
Total Fees	= \$ 1425.00
Less payments	= \$ 1425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, Merrill Lynch, is liable for:

Member Fees	= \$ 5200.00
Total Fees	= \$ 5200.00
Less payments	= \$ 5200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Merrill Lynch, Pierce, Fenner and Smith, Inc., and Gregory John Roel, are jointly and severally liable for:

Forum Fee	= \$ 562.50
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Total Fees	= \$ 562.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 562.50

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

ARBITRATION PANEL

Sherry R. Wetsch, Esq. - Public Arbitrator, Presiding Chair
Frank M. Romano - Public Arbitrator
Kathy R. Holler - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Sherry P. Wetsch
Sherry P. Wetsch,
Public Arbitrator, Presiding Chair

June 9, 2004
Signature Date

Frank M. Romano
Public Arbitrator

Signature Date

/s/ Kathy R. Holler
Kathy R. Holler
Non-Public Arbitrator

June 8, 2004
Signature Date

June 21, 2004
Date of Service (For NASD office use only)

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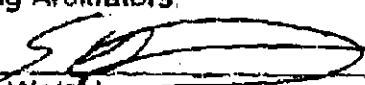
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Frank M. Romano - Public Arbitrator
Kathy R. Holler - Non-Public Arbitrator

Concurring Arbitrators:


Sherry P. Wetsch,
Public Arbitrator, Presiding Chair

6-9-07
Signature Date

Frank M. Romano
Public Arbitrator

Signature Date

Kathy R. Holler
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Concurring Arbitrators:

Sherry P. Wetsch,
Public Arbitrator, Presiding Chair

Signature Date

Frank M. Romano
Public Arbitrator

Signature Date



Kathy R. Holler
Non-Public Arbitrator

06/08/04

Signature Date

Date of Service (For NASD office use only)