
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Paul R. Shields
Holly D. Shields

Case Number: 03-02606

Names of the Respondents

Vincent Stafford
Merrill Lynch, Pierce, Fenner & Smith

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For Paul R. Shields and Holly D. Shields ("Shields"), hereinafter collectively referred to as "Claimants": Michael C. Addison, Esq., Addison & Delano, P.A., Tampa, Florida.

For Vincent Stafford ("Stafford") and Merrill Lynch, Pierce, Fenner & Smith ("Merrill"), hereinafter collectively referred to as "Respondents": Richard L. Martens, Esq. and Jason S. Haselkorn, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: April 9, 2003.

Claimants signed the Uniform Submission Agreement: March 20, 2003.

Statement of Answer filed by Respondents on or about: July 22, 2003.

Respondent Stafford signed the Uniform Submission Agreement: June 10, 2003.

Respondent Merrill signed the Uniform Submission Agreement: May 27, 2003.

CASE SUMMARY

Claimants alleged the following causes of action: alleged violations of Florida Statutes Chapter 517; breach of contract; breach of fiduciary duty; negligence/gross negligence; common law fraud/constructive fraud; and, unjust enrichment. The causes of action relate to investments in Claimants' accounts in various unspecified securities products.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim, denied any liability for any alleged monetary damages and asserted various defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of at least \$300,000.00, prejudgment interest, costs of this action, attorney's fees, punitive damages, and all other relief deemed just and proper under the circumstances.

Respondents requested an award dismissing the Statement of Claim in its entirety, directing that the respective registration files maintained by the NASD Central Registration Depository ("CRD") of Respondent Stafford be expunged of any reference to this claim, an assessment of all forum fees and costs against Claimants, and such other further and different relief as the undersigned arbitrators (the "Panel") deemed appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

On or about August 2, 2004, Respondents requested that NASD Dispute Resolution keep this case open following any notice of dismissal by Claimants, so that counsel for both Claimants and Respondents may file a stipulation to dismiss and expunge the registered representative's CRD record and a proposed stipulated award.

On or about September 21, 2004, the parties submitted an executed Stipulation to Dismiss and Expunge Vincent Stafford's CRD Record and a proposed Stipulated Award for execution by the Arbitration Panel.

On or about October 15, 2004, the Arbitration Panel issued an Order which directed that an evidentiary hearing be scheduled to address the request for an expungement of Respondent Stafford's CRD record.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's withdrawal of their claims against Respondents with prejudice is accepted and Respondents are dismissed from this matter.

The claim against Respondent Stafford was clearly erroneous and the allegations as to Respondent Stafford were false. As such, the Panel recommends the expungement of all references to the above-captioned arbitration from Respondent Stafford's registration records maintained by the NASD CRD, based upon the defamatory nature of the information in the CRD system, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Stafford 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 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. Accordingly, Respondent Merrill is a member firm and a party.

Member surcharge = \$1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,750.00

Total Member Fees = \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

Three-day cancellation fees were not assessed 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.

There were no injunctive relief fees assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$1,125.00 per session = \$1,125.00

Pre-hearing conference: November 10, 2003 1 session

Two (2) Hearing sessions @ \$1,125.00 per session = \$2,250.00

Hearing Dates: December 1, 2004 2 sessions

Total Forum Fees = \$3,375.00

The Panel has assessed the total forum fees of \$3,375.00 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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$ 300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Merrill is solely liable for:

<u>Member Fees</u>	= \$5,200.00
<u>Forum Fees</u>	= \$3,375.00
<u>Total Fees</u>	= \$8,575.00
<u>Less payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$3,375.00

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

ARBITRATION PANEL

William S. Glickfield, Esq.	-	Public Arbitrator, Presiding Chairperson
Christopher M. Shulman, Esq.	-	Public Arbitrator
Ronald W. Lasday, CLU	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/
William S. Glickfield, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

NASD Dispute Resolution

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_____/S/_____

Ronald W. Lasday, CLU

Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

_____/S/_____

Christopher M. Shulman, Esq.

Public Arbitrator

Signature Date

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

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There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	<u>= \$ 300.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:


Member Fees	= \$5,200.00
<u>Forum Fees</u>	<u>= \$3,375.00</u>
Total Fees	= \$8,575.00
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$3,375.00

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Concurring Arbitrators' Signatures


William S. Glickfield, Esq.
Public Arbitrator, Presiding Chairperson

12-8-2004
Signature Date

Chris Shulman
Christopher M. Shulman, Esq.
Public Arbitrator

- as to form only,
this was a majority
decision, not a
unanimous decision.

12/8/04
Signature Date

Ronald W. Lasday, CLU
Non-Public Arbitrator

Signature Date

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

Christopher M. Shulman, Esq.
Public Arbitrator

Signature Date

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