

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

George N. Foudos and Helen G. Foudos

Case Number: 03-03569

Names of the Respondents

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Sandra I. Liotta

Hearing Site: Baltimore, Maryland

Nature of the Dispute: Customer v. Member and Associated Persons.

REPRESENTATION OF PARTIES

Claimants, George N. Foudos and Helen G. Foudos, hereinafter collectively referred to as "Claimants", were represented by Thomas C. Costello, Esq., West & Costello, LLC, Baltimore, Maryland. The causes of action relate to the purchase of various securities in the technology and telecommunications sectors.

Respondents, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), and Sandra I. Liotta ("Liotta"), hereinafter collectively referred to as "Respondents", were represented by Harry D. Frisch, Esq., Office of General Counsel, Merrill Lynch, Pierce, Fenner & Smith Incorporated, New York, NY.

CASE INFORMATION

Statement of Claim filed: May 21, 2003.

Claimants signed the Uniform Submission Agreement: May 13, 2003.

Joint Statement of Answer filed by Respondents: July 25, 2003.

Merrill Lynch did not sign the Uniform Submission Agreement.

Sandra I. Liotta did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants in their Statement of Claim alleged that the Respondents made unsuitable investment recommendations in their accounts. The causes of action relate to various unspecified securities.

In their Answer Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Pursuant to the Statement of Claim, Claimants requested the following damages:

Compensatory Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Costs	amount unspecified

Respondents requested that the Statement of Claim be dismissed in its entirety and requested that the Arbitration Panel (the "Panel") issue an order directing that all references of this proceeding and the underlying complaint be expunged from the CRD records of Respondent Liotta, that the cost of this proceeding be assessed against the Claimants, and that Respondents be awarded such other and further relief as is deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Merrill Lynch and Liotta did not file with NASD Dispute Resolution, properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and are bound by the determination of the Panel on all issues submitted.

Respondents and Claimants advise that on or about October 22, 2004, they entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement.

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

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing, and upon motion of both parties for entry of such an award, the written stipulation thereto, the Panel hereby grants the motion and enters this award granting the following relief:

- 1) Pursuant to the confidential settlement agreement reached between all parties, all claims against Respondent Merrill Lynch and Respondent Liotta are dismissed with prejudice.
- 2) The Panel recommends the expungement of all references to the above-captioned arbitration from Sandra I. Liotta's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to Notices to Members 99-90 and 99-54, Respondent Sandra I. Liotta must obtain confirmation from a court of competent jurisdiction before the CRD will execute this expungement directive.
- 3) The parties shall bear their own costs, including attorneys' fees, except as fees are specifically addressed below;
- 4) Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 250.00
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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 persons at the time of the events giving rise to the dispute. In this matter, the member firm Merrill Lynch, Pierce, Fenner and Smith Inc. is a party.

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,200.00</u>
Total Member Fees	= \$ 4,450.00

Forum Fees and Assessments

The 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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,000.00	= \$ 2,000.00
Pre-hearing conference: February 17, 2004 1 session	
September 27, 2004 1 session	

Total Forum Fees	= \$ 2,000.00
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The Panel has assessed \$ 2,000.00 of the forum fees jointly and severally against Claimants.

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:

October 26, 29, 2004 settled by all parties	= \$ 300.00
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Fee Summary

1. Claimants hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 250.00
<u>Retained Hearing Session Deposit</u>	<u>= \$1,000.00</u>
Total Fees	= \$1,250.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Refund Due Claimants	= \$ 175.00

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

<u>Member Fees</u>	<u>= \$4,450.00</u>
<u>Total Fees</u>	<u>= \$4,450.00</u>
<u>Less payments</u>	<u>= \$7,638.11</u>
Refund Due Merrill Lynch	= \$3,188.11

3. Respondents Merrill Lynch and Liotta are jointly and severally liable for:

Forum Fees	= \$2,000.00
<u>Three-Day Cancellation Fee</u>	<u>= \$ 300.00</u>
<u>Total Fees</u>	<u>= \$2,300.00</u>
<u>Less payments</u>	<u>= \$2,300.00</u>
Balance Due NASD Dispute Resolution	= \$ 00.00

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

ARBITRATION PANEL

Patrick Sean Dolan	-	Public Arbitrator, Presiding Chairperson
Marvin W. Turner, JD	-	Public Arbitrator, Panelist
Patricia J. Randolph	-	Non-Public Arbitrator, Panelist

NASD Dispute Resolution

Arbitration No. 03-03569

Award Page 5 of 5

Concurring Arbitrators' Signatures



Patrick Sean Dolan

Public Arbitrator, Presiding Chairperson

2/4/05

Signature Date

Marvin W. Turner, JD

Public Arbitrator, Panelist

Signature Date

Patricia J. Randolph

Non-Public Arbitrator, Panelist

Signature Date

2/7/05

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

NASD Dispute Resolution
Arbitration No. 03-03569
Award Page 5 of 5

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Patrick Sean Dolan

Public Arbitrator, Presiding Chairperson

Signature Date



Marvin W. Turner, JD
Public Arbitrator, Panelist

2/5/05
Signature Date

Patricia J. Randolph

Non-Public Arbitrator, Panelist

Signature Date

4/7/05
Date of Service (For NASD Dispute Resolution office use only)

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NASD DISPUTE RESOLUTION

P. 2

NASD Dispute Resolution
Arbitration No. 03-03369
Award Page 5 of 5

Concurring Arbitrators' Signatures

Patrick Sean Dolan
Public Arbitrator, Presiding Chairperson

Signature Date

Marvin W. Turner, JD
Public Arbitrator, Panelist

Signature Date


Patricia J. Randolph
Non-Public Arbitrator, Panelist

1-31-05
Signature Date

2/7/05
Date of Service (For NASD Dispute Resolution office use only)