

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Mufid M. Khoury and Sally Redmond, Claimants v. Merrill Lynch, Pierce, Fenner & Smith Inc.
and Gustavo A. Amaral, Respondents

Case Number: 03-03823

Hearing Site: Las Vegas, Nevada

Nature of the Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

David Liebrader, Esq.
Law Offices of David Liebrader,
APC
Las Vegas, Nevada

For Respondents:

Negin Mirmirani, Esq.
Loeb & Loeb LLP
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: May 22, 2003

Claimants' Joint Uniform Submission Agreement signed but not dated

Joint Statement of Answer filed by Respondents: August 8, 2003

Respondent Merrill Lynch, Pierce, Fenner & Smith Inc.'s Uniform Submission Agreement
signed: September 3, 2003

Respondent Gustavo A. Amaral's Uniform Submission Agreement signed: September 9, 2003

CASE SUMMARY

Claimants alleged breach of fiduciary duty, misrepresentations, negligence, violation of N.R.S. Sections 90.570 and 90.660, violation of N.R.S. 598.092 et seq. (deceptive trade practices), violations of federal securities laws, control person liability, respondeat superior, and agency liability. Claimants' allegations involved unspecified mutual funds.

Respondents denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested \$159,400.00 in compensatory damages, consequential damages, disgorgement, restitution, opportunity costs, unspecified punitive damages, pre- and post-award interest and costs, including attorney's fees.

Respondents requested dismissal of Claimants' Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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

AWARD

After considering the pleadings and the parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. All claims in this case are dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Gustavo A. Amaral's registration records maintained by NASD's Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Gustavo A. Amaral must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. The parties shall bear their respective costs and expenses, including attorney's fees.
4. All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee = \$ waived

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Merrill Lynch, Pierce, Fenner & Smith Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,750.00
Total Member Fees	= \$ 5,200.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference conducted. A pre-hearing conference is any meeting between the parties and the Chair or Panel. The following fees are assessed:

One (1) pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
<u>Pre-hearing conference: November 19, 2003 1 session</u>	
Total Forum Fees	= \$ 1,125.00

1. The Panel assessed \$562.50 of the forum fees jointly and severally to Claimants Mufid M. Khoury and Sally Redmond.
2. The Panel assessed \$562.50 of the forum fees jointly and severally to Respondents Merrill Lynch, Pierce, Fenner & Smith Inc. and Gustavo A. Amaral.

FEE SUMMARY

1. Claimants Mufid M. Khoury and Sally Redmond are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 562.50
<u>Less payments</u>	= \$ (0.00)
Balance Due NASD	= \$ 562.50

2. Respondent Merrill Lynch, Pierce, Fenner & Smith Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
<u>Less payments</u>	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Merrill Lynch, Pierce, Fenner & Smith Inc. and Gustavo A. Amaral are charged jointly and severally with the following fees and costs:

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

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

ARBITRATION PANEL

M. Nelson Segel, Esq.
Steven K. Lum, Esq.
Alan S. Mann

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


M. Nelson Segel, Esq.
Chair, Public Arbitrator

10/6/04
Signature Date

Steven K. Lum, Esq.
Public Arbitrator

Signature Date

Alan S. Mann
Industry Arbitrator

Signature Date

10/6/04
Date of Service

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