

Stipulated Award

NASD Dispute Resolution

In the Matter of the Arbitration Between

Mark and Tammy Nolan

v. Merrill Lynch, Pierce, Fenner & Smith
Incorporated, Henry Blodget, and Thomas
X. Coronado

NASD Arbitration No. 03-03885

Hearing Location: Dallas, Texas

NATURE OF THE DISPUTE

Public Customers v. Member Firm and Associated Persons

REPRESENTATION OF PARTIES

Claimants Mark and Tammy Nolan ("Claimants") were represented by Wm. Jemison Mims, Jr. of the law firm Levin, Papantonio, Thomas, Mitchell, Ecshner & Proctor, P.A., Pensacola, Florida.

Respondents Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and Thomas X. Coronado were represented by Charles A. Gall and J. Michael Ellis of the law firm Jenkins & Gilchrist, *A Professional Corporation*, Dallas, Texas.

Respondent Henry Blodget was represented by Marc B. Dorfman and Joseph D. Edmondson, Jr. of the law firm Foley & Lardner LLP, Washington, D.C.

CASE INFORMATION

Claimants signed the Uniform Submission Agreement on or about April 21, 2003.

Statement of Claim filed on or about May 22, 2003.

Respondent Merrill Lynch signed its Uniform Submission Agreement on June 12, 2003.

Statement of Answer filed by Respondents Merrill Lynch and Thomas X. Coronado on July 25, 2003.

Statement of Answer filed by Respondent Henry Blodget of July 28, 2003.

Respondent Henry Blodget signed his Uniform Submission Agreement on October 25, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: (i) breach of fiduciary duty; (ii) fraud; (iii) negligent misrepresentation; (iv) negligence; (v) violation of Blue Sky Laws; and (vi) violations of Section 10(b) of the Exchange Act and Rule 10B-5.

Respondents deny all of the claims in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested the following damages:

Compensatory Damages	\$265,758.54
Punitive Damages	Amount unspecified
Attorney's fees and forum fees	Amount unspecified

Respondents requested dismissal of the Statement of Claim in its entirety, an order expunging Claimants' claims from the records maintained by the NASD CRD, costs, and other relief as is just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Claimants and Respondent Merrill Lynch, Pierce, Fenner & Smith Incorporated entered into a confidential settlement agreement. In connection with that agreement, Claimants dismissed all claims with prejudice against Respondents Merrill Lynch, Pierce, Fenner & Smith Incorporated, Thomas X. Coronado and Henry Blodget with prejudice.

Therefore, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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

The Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are hereby denied and dismissed with prejudice;
2. The Panel recommends the expungement of all references to the above captioned arbitration from Respondents Thomas X. Coronado's and Henry Blodget's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to

Member 99-09 and 99-54, Respondents Thomas X. Coronado and Henry Blodget must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;

3. Each party shall bear their own costs and expenses associated with the above-referenced arbitration, 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 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, Pierce, Fenner & Smith Incorporated and the following member fees are assessed:

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

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Forum fees associated with these proceedings are:

Four (4) Pre-hearing conference session with Panel @ \$1,125.00	= \$ 4,500.00
Pre-hearing conferences:	
January 15, 2004	1 session
February 24, 2004	1 session
May 17, 2004	1 session
February 23, 2005	1 session
<u>Total Forum Fees</u>	<u>= \$ 4,500.00</u>

The Panel assessed \$2,250.00 of the forum fees (jointly and severally) against Claimants Mark and Tammy Nolan. In addition, the Panel assessed \$2,250.00 of the forum fees jointly and severally against Respondents Merrill Lynch, Pierce, Fenner & Smith Incorporated, Henry Blodget, and Thomas X. Coronado.

Fee Summary

Claimants Mark and Tammy Nolan are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 2,250.00
Total Fees	= \$ 2,550.00
Less payments	= \$ 2,125.00
Balance Due NASD Dispute Resolution	= \$ 425.00

Respondent Merrill Lynch, Pierce, Fenner & Smith Incorporated is solely liable for:

Member Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Merrill Lynch, Pierce, Fenner & Smith Incorporated, Thomas X. Coronado and Henry Blodget are jointly and severally liable for:

Forum Fee	= \$ 2,250.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

All balances are due and payable to NASD Dispute Resolution

Parties' Signatures

Wm. Jemison Mims, Jr.
Attorney for Claimants Mark and Tammy Nolan

Signature Date

J. Michael Ellis
Attorney for Respondents Merrill Lynch, Pierce,
Fenner & Smith Incorporated and Thomas X.
Coronado

Signature Date

Marc B. Dorfman
Attorney for Respondent Henry Blodget

Signature Date

ARBITRATION PANEL

Robert L. Chisolm – Public Arbitrator, Presiding Chairperson
Philip Lee Scheldt, Ph.D. - Public Arbitrator
Ronald G. Johnson - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Robert L. Chisolm
Public Arbitrator
Presiding Chairperson

Signature Date

Philip Lee Scheldt, Ph.D.
Public Arbitrator

Signature Date

Ronald G. Johnson
Non-Public Arbitrator

Signature Date

Date Stipulated Award Served by NASD

Fee Summary

Claimants Mark and Tammy Nolan are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 2,250.00
Total Fees	= \$ 2,550.00
<u>Less payments</u>	= \$ 2,125.00
Balance Due NASD Dispute Resolution	= \$ 425.00

Respondent Merrill Lynch, Pierce, Fenner & Smith Incorporated is solely liable for:

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

Respondents Merrill Lynch, Pierce, Fenner & Smith Incorporated, Thomas X. Coronado and Henry Blodget are jointly and severally liable for:

Forum Fee	= \$ 2,250.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

All balances are due and payable to NASD Dispute Resolution

Parties' Signatures


Wm. Jemison Mims, Jr.

Attorney for Claimants Mark and Tammy Nolan

8/24/05
Signature Date

J. Michael Ellis

Attorney for Respondents Merrill Lynch, Pierce,
Fenner & Smith Incorporated and Thomas X.
Coronado

Signature Date

Marc B. Dorfman

Attorney for Respondent Henry Blodget

Signature Date

Fee Summary

Claimants Mark and Tammy Nolan are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 2,250.00
Total Fees	= \$ 2,550.00
<u>Less payments</u>	= \$ 2,125.00
Balance Due NASD Dispute Resolution	= \$ 425.00

Respondent Merrill Lynch, Pierce, Fenner & Smith Incorporated is solely liable for:

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

Respondents Merrill Lynch, Pierce, Fenner & Smith Incorporated, Thomas X. Coronado and Henry Blodget are jointly and severally liable for:

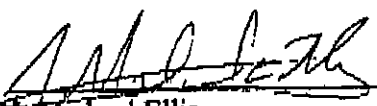
Forum Fee	= \$ 2,250.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

All balances are due and payable to NASD Dispute Resolution

Parties' Signatures

Wm. Jemison Mims, Jr.
Attorney for Claimants Mark and Tammy Nolan

Signature Date



J. Michael Ellis
Attorney for Respondents Merrill Lynch, Pierce,
Fenner & Smith Incorporated and Thomas X.
Coronado

Signature Date

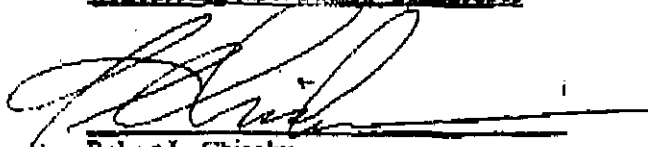
Marc B. Dorfman
Attorney for Respondent Henry Blodget

Signature Date

ARBITRATION PANEL

Robert L. Chisolm - Public Arbitrator, Presiding Chairperson
Philip Lee Scheldt, Ph.D. - Public Arbitrator
Ronald G. Johnson - Non-Public Arbitrator

Concurring Arbitrators' Signatures



Robert L. Chisolm
Public Arbitrator
Presiding Chairperson

8-23-05
Signature Date

Philip Lee Scheldt, Ph.D.
Public Arbitrator

Signature Date

Ronald G. Johnson
Non-Public Arbitrator

Signature Date

2/10/06 KM
Date Stipulated Award Served by NASD

ARBITRATION PANEL

Robert L. Chisolm – Public Arbitrator, Presiding Chairperson
Philip Lee Scheldt, Ph.D. - Public Arbitrator
Ronald G. Johnson - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Robert L. Chisolm
Public Arbitrator
Presiding Chairperson

Signature Date



Philip Lee Scheldt, Ph.D.
Public Arbitrator

10 Feb 06

Signature Date

Ronald G. Johnson
Non-Public Arbitrator

Signature Date

2/10/06 

Date Stipulated Award Served by NASD

ARBITRATION PANEL

Robert L. Chisolm – Public Arbitrator, Presiding Chairperson
Philip Lee Scheldt, Ph.D. - Public Arbitrator
Ronald G. Johnson - Non-Public Arbitrator

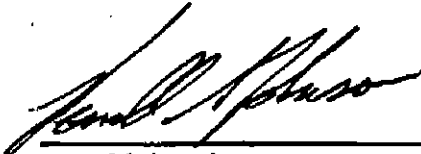
Concurring Arbitrators' Signatures

Robert L. Chisolm
Public Arbitrator
Presiding Chairperson

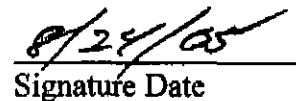
Signature Date

Philip Lee Scheldt, Ph.D.
Public Arbitrator

Signature Date



Ronald G. Johnson
Non-Public Arbitrator


Signature Date

2/10/06 KUH
Date Stipulated Award Served by NASD