

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Names of Claimants

Beth M. Glaub, individually and on behalf
of the Beth M. Glaub IRA

and

Case Number: 03-04263
Hearing Site: Southfield, Michigan

Names of Respondents

Merrill Lynch Pierce Fenner & Smith, Inc.
and Wendell M. Roodman

NATURE OF DISPUTE

Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

Beth M. Glaub, individually and on behalf of the Beth M. Glaub IRA ("Claimants") were represented by James C. Steffl, Esq., Harnisch, Lebow, Gerlach, Steffl & Gadd, PLC, Bingham Farms, Michigan.

Merrill Lynch Pierce Fenner & Smith, Inc. ("MLPFS") and Wendell M. Roodman ("Roodman"), hereinafter collectively referred to as "Respondents," were represented by John R. Snyder, Esq., Bingham McCutchen, LLP, Boston, Massachusetts.

CASE INFORMATION

The Statement of Claim was filed on or about June 11, 2003. The Submission Agreement of Claimants, Beth M. Glaub, individually and on behalf of the Beth M. Glaub IRA, was signed on or about June 6, 2003, by Beth M. Glaub.

The Statement of Answer was filed jointly by Respondents, MLPFS and Roodman, on or about September 17, 2003. The Submission Agreement of Respondent, Merrill Lynch Pierce Fenner & Smith, Inc., was signed on or about August 12, 2003. The Submission Agreement of Respondent, Wendell M. Roodman, was signed on or about July 9, 2003.

CASE SUMMARY

Claimants asserted claims and causes of action including the following: fraud, unsuitable trading, breach of fiduciary duty; unauthorized trading; liability under the "shingle" theory; failure to supervise; controlling person liability/ respondeat superior; duty to protect Claimant from herself; Respondents controlled Claimants' accounts; and Claimants did not ratify Respondents' acts and omissions. The causes of action related to Beth M. Glaub's allegations that Respondents placed her into investment positions without regard to her

needs and that Respondents exercised control over the account with regard to the amount and frequency of trading as well as the nature of the positions taken. Beth M. Glaub asserted that Respondents, on average, placed 70% of her account in stocks, and most in high risk tech stocks including Ariba, CMGI, Doubleclick, Applied Materials, Inc., Applied Microcircuits, and Broadcom Corp. Beth M. Glaub also asserted that Respondents inexplicably had her in a margin account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim failed to state a claim upon which relief can be granted; Respondents complied with all applicable rules and regulations and at all times acted in good faith; Claimants did not reasonably rely to their detriment on any action or inaction by Respondents; all transactions were authorized in advance by Claimants; Respondents made no misrepresentations or omissions of material facts; Claimants assumed the risks of the subject transactions and therefore may not recover; all risks inherent in the investments at issue were fully disclosed and/or known to Claimants; and moreover, any losses incurred by Claimants were the direct result of adverse economic or market conditions and/or the acts of third parties and cannot be attributed to Respondents.

RELIEF REQUESTED

Claimants requested an award in the amount of \$1,078,531.00 in losses, plus \$533,786.00 in lost profit, return of all commissions, fees and interest paid, interest, filing fees of \$1,800.00, costs, 1/3 attorneys' fees, exemplary damages wherever appropriate, punitive damages of ten times compensatory damages, and any and all other relief the panel deemed appropriate.

Respondents requested that the claims asserted against them be dismissed in their entirety, that they be awarded their costs and attorneys' fees, and that all references to this matter be expunged from the CRD record of Respondent Roodman.

OTHER ISSUES CONSIDERED & DECIDED

Respondents filed a Motion to Strike and Motion to Preclude the Claimant from Offering Extraneous Evidence on or about September 28, 2004. The Panel Denied the Motions at the hearing.

At hearing, Claimant Beth M. Glaub clarified that she was seeking damages for losses to her Cash Management Account ("CMA") and her IRA account, sometimes referred to as her "trust account."

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 NASD Dispute Resolution ("NASD").

AWARD

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

- 1.) Respondents, Merrill Lynch Pierce Fenner & Smith, Inc., and Wendell M. Roodman, are jointly and severally liable for and shall pay to Claimants, Beth M. Glaub, individually and on behalf of the Beth M. Glaub IRA, the sum of \$200,000.00 in compensatory damages;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive and exemplary 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 = \$ 600.00

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. In this matter, the member firm is Merrill Lynch Pierce Fenner & Smith, Inc.

Member surcharge = \$ 3,750.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 5,500.00

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

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00 = \$ 900.00
Pre-hearing conferences: September 2, 2004 1 session
September 7, 2004 1 session

One (1) Pre-hearing sessions with Panel x \$1,200.00 = \$ 1,200.00
Pre-hearing conference: April 5, 2004 1 session

Twelve (12) Hearing sessions x \$1,200.00 = \$ 14,400.00

Hearing Dates: September 30, 2004 2 sessions
October 1, 2004 2 sessions
October 4, 2004 2 sessions
October 5, 2004 2 sessions
October 6, 2004 2 sessions
October 7, 2004 2 sessions

Total Forum Fees = \$ 16,500.00

The Arbitration Panel has assessed \$8,250.00 of the forum fees to Beth M. Glaub, individually and on behalf of the Beth M. Glaub IRA.

The Arbitration Panel has assessed \$8,250.00 of the forum fees jointly and severally to Merrill Lynch Pierce Fenner & Smith, Inc. and Wendell M. Roodman.

FEE SUMMARY

Claimants, Beth M. Glaub, individually and on behalf of the Beth M. Glaub IRA, are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 8,250.00
Total Fees	= \$ 8,850.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 7,050.00

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

Member Fees	= \$ 10,000.00
Total Fees	= \$ 10,000.00
Less payments	= \$ 10,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Merrill Lynch Pierce Fenner & Smith, Inc., and Wendell M. Roodman, are jointly and severally liable for:

Forum Fees	= \$ 8,250.00
Total Fees	= \$ 8,250.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 8,250.00

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

ARBITRATION PANEL

Norman Bristol, Esq. - Public Arbitrator, Presiding Chair
Barry Goldman, Esq. - Public Arbitrator
Joseph R. Papo - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Norman Bristol, Esq.
Norman Bristol, Esq.
Public Arbitrator, Presiding Chair

10/10/04
Signature Date

/s/ Barry Goldman, Esq.
Barry Goldman, Esq.
Public Arbitrator

10/11/04
Signature Date

/s/ Joseph R. Papo
Joseph R. Papo
Non-Public Arbitrator

10/11/04
Signature Date

10/11/04
Date of Service (For NASD office use only)

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ARBITRATION PANEL

Norman Bristol, Esq. - Public Arbitrator, Presiding Chair
Barry Goldman, Esq. - Public Arbitrator
Joseph R. Papo - Non-Public Arbitrator

Concurring Arbitrators:

Norman Bristol, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Barry Goldman, Esq.
Public Arbitrator

Signature Date



Joseph R. Papo
Non-Public Arbitrator

10/11/2004
Signature Date

Date of Service (For NASD office use only)

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ARBITRATION PANEL

Norman Bristol, Esq. - Public Arbitrator, Presiding Chair
Barry Goldman, Esq. - Public Arbitrator
Joseph R. Papo - Non-Public Arbitrator

Concurring Arbitrators:



Norman Bristol, Esq.
Public Arbitrator, Presiding Chair

6/10, 2005

Signature Date

Barry Goldman, Esq.
Public Arbitrator

Signature Date

Joseph R. Papo
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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ARBITRATION PANEL

Norman Bristol, Esq. - Public Arbitrator, Presiding Chair
Barry Goldman, Esq. - Public Arbitrator
Joseph R. Papo - Non-Public Arbitrator

Concurring Arbitrators:

Norman Bristol, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Barry Goldman, Esq.
Public Arbitrator

10/11/04

Signature Date

Joseph R. Papo
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)