

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Golden Integrity, Inc. (Claimant) v. Merrill Lynch, Pierce, Fenner & Smith, Inc., and Henry Blodget (Respondents)

Case Number: 03-04291

Hearing Site: New York, NY

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

REPRESENTATION OF PARTIES

Claimant Golden Integrity, Inc., hereinafter referred to as "Claimant": Sheldon H. Gopstein, Esq., Law Offices of Sheldon H. Gopstein, Esq., New York, NY.

Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch"): Lawrence Fenster, Esq., previously represented by Diana C. Campbell, Esq., Lawrence D. Ross, Esq., Bressler, Amery & Ross, P.C., New York, NY.

Respondent Henry Blodget ("Blodget"): Joseph D. Edmondson, Jr., Esq., Foley & Lardner, Washington, D.C.

CASE INFORMATION

Statement of Claim filed on or about: June 11, 2003.

Claimant signed the Uniform Submission Agreement: May 27, 2003.

Statement of Answer filed by Merrill Lynch, on or about: September 5, 2003.

Respondent Merrill Lynch signed the Uniform Submission Agreement: July 15, 2003.

Statement of Answer filed by Respondent Blodget on or about: September 17, 2003.

Respondent Blodget signed the Uniform Submission Agreement: October 25, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: misleading recommendations; misrepresentation/omission; securities fraud; breach of fiduciary duties; common law fraud; breach of contract; negligence; control person liability; respondeat superior; and apparent authority. The causes of action relate to Internet Capital Group and Infospace.

Unless specifically admitted in its Answer, Respondent Merrill Lynch denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Respondent Blodget denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Respondent Blodget denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$143,547.88; punitive damages in the amount of \$430,643.64; commissions; interest; NASD fees; attorneys' fees; costs; and such other and further relief as may be just, proper, and equitable.

Respondent Merrill Lynch requested that Claimant's Statement of Claim be dismissed with prejudice, in its entirety; costs; and such other further relief as the Panel deems just and proper.

Respondent Blodget requested that the Statement of Claim be dismissed with prejudice; attorneys' fees and costs; and that all references to the Statement of Claim be expunged from his CRD record.

OTHER ISSUES CONSIDERED AND DECIDED

During the hearing, Respondent made a Motion for Summary Judgment. After due deliberation, the Panel denied this Motion.

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.

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:

1. Claimant's claims are denied in their entirety.
2. Any and all relief not specifically addressed herein, including punitive damages, 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 = \$375.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Merrill Lynch is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

August 9-11, and 16-17, 2004 adjournment by Claimant	= \$1,200.00
May 27, 2005 adjournment by Claimant	WAIVED

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:

May 27, 2005, adjournment by Claimant	WAIVED
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Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 Panel @ \$1,200.00	= \$ 2,400.00
Pre-hearing conferences:	
December 22, 2003 1 session	
February 23, 2004 1 session	
Nine (9) Hearing sessions @ \$1,200.00	= \$10,800.00
Hearing Dates:	
May 4, 2005 1 session	
May 5, 2005 2 sessions	
May 31, 2005 2 sessions	
August 18, 2005 2 sessions	
September 12, 2005 2 sessions	
Total Forum Fees	= \$13,200.00

1. The Panel has assessed \$4,400.00 of the forum fees against Claimant.
2. The Panel has assessed \$4,400.00 of the forum fees against Respondent Merrill Lynch.
3. The Panel has assessed \$4,400.00 of the forum fees against Respondent Blodgett.

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.

1. Respondent Blodget requested copies of tapes = \$ 120.00

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
Adjournment Fee	= \$ 1,200.00
<u>Forum Fees</u>	<u>= \$ 4,400.00</u>
Total Fees	= \$ 5,975.00
<u>Less payments</u>	<u>= \$ 1,575.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,400.00

2. Respondent Merrill Lynch is solely liable for:

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	<u>= \$ 4,400.00</u>
Total Fees	= \$11,400.00
<u>Less payments</u>	<u>= \$ 7,000.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,400.00

4. Respondent Blodget is solely liable for:

Forum Fees	= \$ 4,400.00
<u>Administrative Fees</u>	<u>= \$ 120.00</u>
Total Fees	= \$ 4,520.00
<u>Less payments</u>	<u>= \$ 120.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,400.00


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

ARBITRATION PANEL

Joseph H. Cerame, Esq.	-	Public Arbitrator, Presiding Chair
Charles A.B. Dyer	-	Public Arbitrator
Jettie K. Thomas, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.



Joseph H. Cerame, Esq.
Public Arbitrator, Presiding Chairperson

9-13-05

Signature Date

Charles A.B. Dyer
Public Arbitrator

Signature Date

Jettie K. Thomas, Esq.
Non-Public Arbitrator

Signature Date

September 20, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

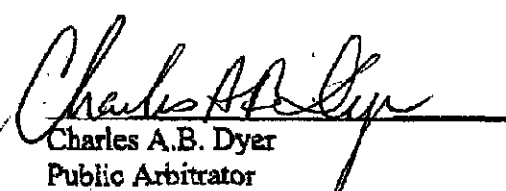
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Joseph H. Cerame, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Charles A.B. Dyer
Public Arbitrator

09-13-2005

Signature Date

Jettie K. Thomas, Esq.
Non-Public Arbitrator

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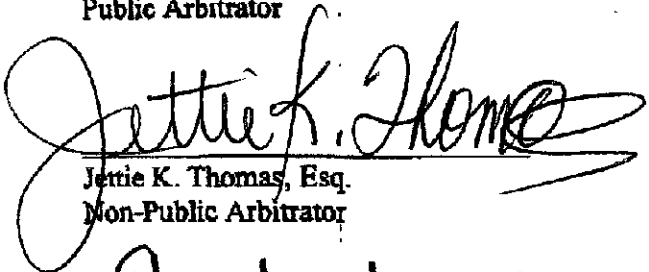
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Public Arbitrator, Presiding Chairperson

Signature Date

Charles A.B. Dyer
Public Arbitrator

Signature Date



Jettie K. Thomas, Esq.
Non-Public Arbitrator

9-14-05

Signature Date

September 20, 2005
Date of Service (For NASD Dispute Resolution use only)