

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Ali Seif

and

Case Number: 03-04685
Hearing Site: Houston, Texas

Names of Respondents

Merrill Lynch Pierce Fenner & Smith, Inc.,
Dora I. Valverde, and
Merrill Lynch & Company, Inc.

NATURE OF DISPUTE

Customer v. Member Firm, Associated Person and Non Member

REPRESENTATION OF PARTIES

Ali Seif ("**Claimant**") was represented by Hector Canales, Esq., Canales & Simonson, P.C., Corpus Christi, Texas.

Merrill Lynch Pierce Fenner & Smith, Inc. ("**Merrill Lynch**"), Dora I. Valverde ("**Valverde**"), and Merrill Lynch & Company, Inc. ("**ML & Co.**"), hereinafter collectively referred to as "Respondents," were represented by Joel Sharp, Esq., Jenkins & Gilchrist, Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about June 27, 2003. The Submission Agreement of Claimant, Ali Seif, was signed on or about June 23, 2003.

The Joint Statement of Answer was filed by Respondents, Merrill Lynch Pierce Fenner & Smith, Inc., Merrill Lynch & Company, Inc., and Dora I. Valverde, on or about August 22, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, churning, omissions, suitability, misrepresentations, failure to supervise and negligence. The causes of action relate to the recommendation and purchase of various unspecified securities. Claimant alleged that Respondent Valverde rejected her own company's investment

recommendations and Claimant relied on her recommendations to his detriment.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant cannot avoid responsibility for the risks he assumed when he decided to invest in securities; Claimant's losses were the result of his own investment decisions and conduct; Claimant's claims are barred by his own conduct and negligence; Claimant's claims are barred by the doctrines of waiver, estoppel, ratification, assumption of the risk, comparative negligence and proportionate responsibility; and Claimant failed to mitigate his damages.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$1,500,000.00
Punitive/Exemplary Damages	\$5,000,000.00
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Respondents, Merrill Lynch Pierce Fenner & Smith, Inc., Dora I. Valverde, and Merrill Lynch & Company, did not file with the NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the hearing are bound by the determination of the arbitration panel on all issues submitted.

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.) Claimant's claims, each and all, are hereby denied and dismissed with prejudice;
- 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 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 = \$ 3,350.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 5,500.00

Adjournment Fees

Adjournments granted during these proceedings:

June 22-25, 2004, adjournment requested by Claimant = \$ 1,200.00
January 18-21, 2005, adjournment requested by Claimant* = \$ 1,500.00
(*waived by the Panel)

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

Three (3) Pre-hearing sessions with Panel x \$1,200.00 = \$ 3,600.00
Pre-hearing conferences: January 29, 2004 1 session

May 13, 2004 1 session
January 14, 2005 1 session

Six (6) Hearing sessions x \$1,200.00 = \$ 7,200.00

Hearing Dates: April 12, 2005 2 sessions
April 13, 2005 2 sessions
April 14, 2005 2 sessions

Total Forum Fees = \$ 10,800.00

The Arbitration Panel has assessed \$10,800.00 of the forum fees to Ali Seif.

Fee Summary

Claimant, Ali Seif, is liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 1,200.00
Forum Fees	= \$ 10,800.00
<u>Total Fees</u>	<u>= \$ 12,600.00</u>
<u>Less payments</u>	<u>= \$ 1,800.00</u>
Balance Due NASD Dispute Resolution	= \$ 10,800.00

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

<u>Member Fees</u>	<u>= \$ 9,600.00</u>
<u>Total Fees</u>	<u>= \$ 9,600.00</u>
<u>Less payments</u>	<u>= \$ 9,600.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

David G. Beerbower, Esq. - Public Arbitrator, Presiding Chair
Peter D. Sterling - Public Arbitrator
Maurice J. Fallas - Non-Public Arbitrator

Concurring Arbitrators:

/s/ David G. Beerbower, Esq.
David G. Beerbower, Esq.
Public Arbitrator, Presiding Chair

April 15, 2005
Signature Date

/s/ Peter D. Sterling
Peter D. Sterling
Public Arbitrator

April 15, 2005
Signature Date

/s/ Maurice J. Fallas
Maurice J. Fallas
Non-Public Arbitrator


April 15, 2005
Signature Date

April 15, 2005
Date of Service (For NASD office use only)

ARBITRATION PANEL

David G. Beerbower, Esq. - Public Arbitrator, Presiding Chair
Peter D. Sterling - Public Arbitrator
Maurice J. Falles - Non-Public Arbitrator

Concurring Arbitrators:



David G. Beerbower, Esq.
Public Arbitrator, Presiding Chair

4-15-05

Signature Date

Peter D. Sterling
Public Arbitrator

Signature Date

Maurice J. Falles
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

David G. Beerbower, Esq. - Public Arbitrator, Presiding Chair
Peter D. Sterling - Public Arbitrator
Maurice J. Fallas - Non-Public Arbitrator

Concurring Arbitrators:

David G. Beerbower, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Peter D. Sterling
Public Arbitrator



Signature Date

Maurice J. Fallas
Non-Public Arbitrator

Signature Date

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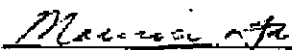
Concurring Arbitrators:

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Public Arbitrator, Presiding Chair

Signature Date

Peter D. Sterling
Public Arbitrator

Signature Date


Maurice J. Fallas
Non-Public Arbitrator

4/15/05
Signature Date

Date of Service (For NASD office use only)