

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Awatif Khouri

and

Case Number: 03-05401

Hearing Site: Chicago, Illinois

Names of Respondents

Northern Trust Securities, Inc.,
The Northern Trust Company, Inc., and
Kristin Kotsakis

NATURE OF CASE

Customer v. Member, Non-Member and Associated Person

REPRESENTATION OF PARTIES

Awatif Khouri ("Claimant") was represented by David A. Schlack, Esq., and Kelly A. McGinnity, Esq., Haddad, Schlack, & Associates, Chicago, IL.

Northern Trust Securities, Inc., ("Northern Trust Securities") and Kristin M. Kotsakis, ("Kotsakis"), hereinafter collectively referred to as "Respondents" were represented by Hallie A. Diethelm, Esq., and Steven M. Malina, Esq., Ungaretti & Harris, L.L.P., Chicago, IL.

Northern Trust Company, Inc., ("NTRS") did not submit to arbitration.

CASE INFORMATION

The Statement of Claim was filed on or about July 23, 2003. The Submission Agreement of Claimant was signed on or about July 9, 2003.

Respondents Northern Trust Securities, and Kotsakis jointly filed a Statement of Answer on or about October 6, 2003. The Submission Agreement of Respondent Northern Trust Securities was signed on or about August 22, 2003. The Submission Agreement of Respondent Kotsakis was signed on or about August 22, 2003.

CASE SUMMARY

Claimant asserted the following cause of action: suitability. The cause of action related to Claimant's allegations that Respondents wrongfully recommended and effectuated the purchase of corporate and government agency bonds and certificates of deposits, which

were unsuitable for Claimant's investment objective.

Unless specifically admitted in their Answer, Respondents Northern Trust Securities, and Kotsakis denied the allegations made in the Statement of Claim and asserted the following defenses:

1. Claimant expressly and impliedly ratified and affirmed each of those transactions.
2. Claimant's claims are barred by the applicable statute of limitations or by the doctrine of laches.
3. Claimant purchased these investments with full knowledge of the risks associated with the investments.
4. Claimant is barred from recovering all or some of her alleged damages because of her own negligence and fault.
5. Claimant provided no reasonable basis from which damages may be calculated.
6. Claimant's Statement of Claim failed to state a claim upon which relief can be granted.
7. Claimant's investment transactions were properly conducted in accordance with applicable rules and regulations.
8. Claimant's losses, if any, were caused in whole or in part by Claimant's failure to mitigate.
9. The losses sustained by Claimant were proximately caused by new and independent or intervening events beyond the control or responsibility of Northern Trust Securities, Inc.
10. Claimant's right to recovery is barred by the doctrines of waiver and estoppel.
11. Northern Trust Securities, Inc., acted at all time in good faith and exercised reasonable diligence.

RELIEF REQUESTED

Claimant requested an award of approximately \$70,000.00 in compensatory damages, \$140,000.000 in punitive damages, plus interest, costs, attorneys' fees and any other relief the panel deemed appropriate.

Respondents requested that the claims asserted against them be dismissed in their entirety with prejudice, and that they be awarded reimbursement of all legal fees, costs and expenses and expungement of all references of this arbitration from Respondent Kotsakis' permanent registration records maintained by the NASD Central Registration Depository (CRD).

OTHER ISSUES CONSIDERED & DECIDED

This case settled and Claimant, Awatif Khouri and Respondents, Northern Trust Securities, Inc., and Kristin M. Kotsakis have executed a Settlement Agreement and Release.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies and have agreed to receive conformed copies of the Award while the originals remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Claimant's claims against Respondents Northern Trust Securities, Inc., and Kristin M. Kotsakis are hereby dismissed in their entirety with prejudice pursuant to the parties' Settlement Agreement;
- 2.) The Panel recommends the expungement of all references to the above-captioned arbitration from Respondent Kristin M. Kotsakis' registration records maintained by the NASD Central Registration Depository ("CRD") with the understanding that pursuant to NASD Notices to Members 99-09, Respondent Kristin M. Kotsakis must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) Other than Forum Fees, which are specified below, the parties shall each bear their own costs and expenses incurred in this matter, and
- 4.) 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	= \$300.00
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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 Northern Trust Securities, Inc.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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

One (1) Pre-hearing session with a single arbitrator	x \$ 450.00	= \$ 450.00
Pre-hearing Conference: April 27, 2004	1 session	
One (1) Pre-hearing session with the Panel	x \$1,125.00	= \$ 1,125.00
Pre-hearing Conference: April 1, 2004	1 session	
Total Forum Fees		= \$1,575.00

The Arbitration Panel has assessed \$525.00 of the forum fees to Claimant Awatif Khouri.

The Arbitration Panel has assessed \$525.00 of the forum fees to Respondent Northern Trust Securities, Inc.,

The Arbitration Panel has assessed \$525.00 of the forum fees to Respondent Kristin Kotsakis.

Fees Summary

Claimant Awatif Khouri is liable for:

Initial Filing Fee (waived)	= \$ 300.00
Forum Fees	= \$ 525.00
Total Fees	= \$ 525.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 525.00

Respondent Northern Trust Securities, Inc., is liable for:

Forum Fees	= \$ 525.00
Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,725.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 525.00

Respondent Kristin M. Kotsakis is liable for:


Forum Fees	= \$ 525.00
Total Fees	= \$ 525.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 525.00

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

ARBITRATION PANEL

Terry F. Peppard, Esq., - Public Arbitrator, Presiding Chair
Philip P. Rummel Esq., - Public Arbitrator
Timothy S. Scott - Non-Public Arbitrator

Concurring Arbitrators:


Terry F. Peppard, Esq.
Public Arbitrator, Presiding Chairperson

8/16/04
Signature Date

Philip P. Rummel, Esq.
Public Arbitrator

Signature Date

Timothy S. Scott
Non-Public Arbitrator

Signature Date

1/13/05
Date of Service (For NASD office use only)

Respondent Northern Trust Securities, Inc., is liable for:

Forum Fees	= \$ 525.00
Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,725.00
Less payments	= \$ 5,200.00

Balance Due NASD Dispute Resolution = \$ 525.00

Respondent Kristin M. Kotsakis is liable for:

Forum Fees	= \$ 525.00
Total Fees	= \$ 525.00
Less payments	= \$ 0.00

Balance Due NASD Dispute Resolution = \$ 525.00

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ARBITRATION PANEL

Terry F. Peppard, Esq., - Public Arbitrator, Presiding Chair
Philip P. Rummel Esq., - Public Arbitrator
Timothy S. Scott - Non-Public Arbitrator

Concurring Arbitrators:

Terry F. Peppard, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Philip P. Rummel
Philip P. Rummel, Esq.
Public Arbitrator

Jan 5, 2005
Signature Date

Timothy S. Scott
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Respondent Northern Trust Securities, Inc., is liable for:

Forum Fees	= \$ 525.00
<u>Member Fees</u>	<u>= \$ 5,200.00</u>
Total Fees	= \$ 5,725.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 525.00

Respondent Kristin M. Kotsakis is liable for:

Forum Fees	= \$ 525.00
Total Fees	= \$ 525.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 525.00

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

ARBITRATION PANEL

Terry F. Peppard, Esq., - Public Arbitrator, Presiding Chair
Philip P. Rummel Esq., - Public Arbitrator
Timothy S. Scott - Non-Public Arbitrator


Concurring Arbitrators:

Terry F. Peppard, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Philip P. Rummel, Esq.
Public Arbitrator

Signature Date



Timothy S. Scott
Non-Public Arbitrator

1/10/05

Signature Date

Date of Service (For NASD office use only)