

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Michele Peterson as Administratrix of the Estate of Doris Gagne, and Trustee of the Gagne Family Trust, Doris Gagne Trust, and the A.G. Bolton Limited Partnership Trust (Claimants) v. Merrill Lynch, Pierce, Fenner & Smith, Inc., Jill M. Packard and Maureen C. Keating (Respondents)

Case Number: 03-05557

Hearing Site: New York, New York

Nature of the Dispute: Customers v. Member and Associated Persons

REPRESENTATION OF PARTIES

Claimants Michele Peterson, Administratrix of the Estate of Doris Gagne ("Estate"), and Trustee of the Gagne Family Trust ("Family Trust"), Doris Gagne Trust ("Gagne Trust"), and A.G. Bolton Limited Partnership Trust ("A.G. Bolton Trust") hereinafter collectively referred to as "Claimants": Michael Stratton, Esq., Stratton Faxon, New Haven, CT.

Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc., ("Merrill Lynch"), Maureen C. Keating ("Keating") and Jill M. Packard ("Packard") hereinafter collectively referred to as "Respondents": Ted Poretz, Esq., Bingham McCutchen, LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: July 24, 2003.

Gagne Trust signed an undated Uniform Submission Agreement.

Estate signed an undated Uniform Submission Agreement.

Family Trust signed an undated Uniform Submission Agreement.

A.G. Bolton signed an undated Uniform Submission Agreement.

Joint Statement of Answer filed by Respondents on or about: November 11, 2003.

Merrill Lynch signed the Uniform Submission Agreement: December 5, 2003.

Keating did not sign the Uniform Submission Agreement.

Packard did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of fiduciary duty; unsuitability; negligence; omission of facts; misrepresentation; failure to supervise; and violations of NASD Rules and Securities law. The causes of action relate to the trading of mutual funds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$1,000,000.00; 3,000,000.00 in punitive damages; \$240,000.00 in interest; attorneys' fees; costs, and such other relief as the Panel may deem appropriate.

Respondents requested dismissal of the Statement of Claim in its entirety; expungement of this arbitration from the CRD records of Keating; costs; hearing fees; and such other further relief as the Panel may deem appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Keating and Packard did not file with NASD Dispute Resolution a properly executed submission agreement but are required to submit to arbitration pursuant to the Code and having answered the claim, are bound by the determination of the Panel on all issues submitted.

At the February 3, 2004 initial pre-hearing conference, Claimant dismissed with prejudice Respondent Packard from this arbitration.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. The Statement of Claim is dismissed in its entirety with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Maureen Keating's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Maureen Keating must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. Each party shall bear its own costs and expenses including attorneys' fees associated with this arbitration.

4. 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 = \$ 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 persons at the time of the events giving rise to the dispute. In this matter, the member firm Merrill Lynch, Pierce, Fenner & Smith, Inc. is a party.

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00

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

Three (3) Pre-hearing conference sessions with the Panel @ \$1,200.00 per session = \$ 3,600.00

Pre-hearing conferences:	February 3, 2004	1 session
	March 15, 2005	1 session
	April 1, 2005	1 session

Total Forum Fees = \$ 3,600.00

1. In accordance with the Panel's Order, Claimants, jointly and severally, have been assessed \$600.00 of the forum fees for the pre-hearing conference held on April 1, 2005.
2. In accordance with the Panel's Order, Respondents, jointly and severally, have been assessed \$600.00 of the forum fees for the pre-hearing conference held on April 1, 2005.
3. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure, Estate has been assessed \$400.00 of the remaining forum fees.
4. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure, Family Trust has been assessed \$400.00 of the remaining forum fees.

5. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure, Gagne Trust has been assessed \$400.00 of the remaining forum fees.
6. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure, A.G. Bolton Trust has been assessed \$400.00 of the remaining forum fees.
7. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure, Merrill Lynch has been assessed \$400.00 of the remaining forum fees.
8. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure, Keating has been assessed \$400.00 of the remaining forum fees.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$	600.00
Forum Fees	= \$	600.00
Total Fees	= \$	1,200.00
Less payments	= \$	1,200.00
Balance Due NASD Dispute Resolution	= \$	0.00

2. Estate is solely liable for:

Forum Fees	= \$	400.00
Total Fees	= \$	400.00
Less payments	= \$	400.00
Balance Due NASD Dispute Resolution	= \$	0.00

3. Family Trust is solely liable for:

Forum Fees	= \$	400.00
Total Fees	= \$	400.00
Less payments	= \$	200.00
Balance Due NASD Dispute Resolution	= \$	200.00

4. Gagne Trust is solely liable for:

Forum Fees	= \$	400.00
Total Fees	= \$	400.00
Less payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	400.00

5. A.G. Bolton Trust is solely liable for:

Forum Fees	= \$	400.00
Total Fees	= \$	400.00
Less payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	400.00

6. Merrill Lynch is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	<u>= \$ 400.00</u>
Total Fees	= \$ 9,950.00
<u>Less payments</u>	<u>= \$ 12,950.00</u>
Refund Due Merrill Lynch	= \$ 3,000.00

7. Keating is solely liable for:

<u>Forum Fees</u>	<u>= \$ 400.00</u>
Total Fees	= \$ 400.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 400.00

8. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$ 600.00</u>
Total Fees	= \$ 600.00
<u>Less payments</u>	<u>= \$ 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.

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ARBITRATION PANEL

Christine Moore, Esq.
Joseph M. Perillo
Judith C. Greene

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- 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, which is my award.

Christine Moore, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Joseph M. Perillo
Public Arbitrator

2/28/06

Signature Date

Judith C. Greene
Non-Public Arbitrator

Signature Date

March 9, 2006

Date of Service (For NASD office use only)

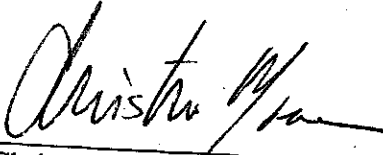
ARBITRATION PANEL

Christine Moore, Esq.
Joseph M. Perillo
Judith C. Greene

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- 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, which is my award.



Christine Moore, Esq.
Public Arbitrator, Presiding Chair

3/1/06
Signature Date

Joseph M. Perillo
Public Arbitrator

Signature Date

Judith C. Greene
Non-Public Arbitrator

Signature Date

March 9, 2006

Date of Service (For NASD office use only)

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NASD REGULATION

008/008

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ARBITRATION PANEL

Christine Moore, Esq.
Joseph M. Perillo
Judith C. Greene

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7:07 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Christine Moore, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Joseph M. Perillo
Public Arbitrator

Signature Date

Judith C. Greene
Judith C. Greene
Non-Public Arbitrator

2/28/06
Signature Date

March 9, 2006
Date of Service (For NASD office use only)