

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Lana DeGeorge

and

Case Number: 03-06869
Hearing Site: Houston, Texas

Names of Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc.
and Michael A. Bertuzzi

NATURE OF DISPUTE

Customer v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Lana DeGeorge ("**Claimant**") was represented by Hector G. Longoria, Esq., Heard, Robins, Cloud, Lubel & Greenwood, Houston, Texas.

Merrill Lynch, Pierce, Fenner & Smith, Inc. ("**Merrill Lynch**") and Michael A. Bertuzzi ("**Bertuzzi**"), hereinafter collectively referred to as "Respondents," were represented by Jack D. Ballard, Esq., The Ballard Law Firm, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about September 22, 2003. The Uniform Submission Agreement of Claimant, Lana DeGeorge, was signed on or about August 27, 2003.

The Joint Statement of Answer was filed by Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Michael A. Bertuzzi, on or about December 9, 2003. The Uniform Submission Agreement of Respondent, Merrill Lynch, Pierce, Fenner & Smith, Inc., was signed on or about October 14, 2003. The Uniform Submission Agreement of Respondent, Michael A. Bertuzzi, was signed on or about December 8, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: negligence, failure to supervise and suitability. The causes of action related to various unspecified investments held in

Claimant's accounts at Merrill Lynch.

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Michael A. Bertuzzi, denied the allegations made in the Statement of Claim and asserted defenses including the following: to the extent Claimant incurred any damages, such damages were attributable to market conditions and/or Claimant's own negligence and not to any acts or omissions of Respondents; failure to mitigate; assumption of risk by Claimant; failure to state a claim; and that Respondents at all times acted in good faith and in a commercially reasonable manner with respect to Claimant's accounts.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$700,000.00
Interest	Unspecified
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. Respondent Bertuzzi requested expungement of all reference to this matter from his CRD.

OTHER ISSUES CONSIDERED & DECIDED

Claimant and Respondents advised NASD that on or about February 3, 2005, they entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement.

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 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, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Michael A. Bertuzzi, are dismissed with prejudice;

- 2.) The panel recommends the expungement, of all references to the above captioned arbitration from Respondent, Michael A. Bertuzzi's, registration record maintained by NASD Central Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent, Michael A. Bertuzzi, 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 and all relief not specifically addressed herein, including attorneys' fees and costs is denied and all claims are dismissed 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 = \$ 375.00

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

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 Panel x \$1,200.00 = \$1,200.00
Pre-hearing conference: March 24, 2004 1 session

One (1) Hearing session x \$1,200.00	= \$1,200.00
Hearing Date: February 16, 2005 1 session	
Total Forum Fees	= \$2,400.00

The Arbitration Panel has assessed \$600.00 of the forum fees to Lana DeGeorge.

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Merrill Lynch, Pierce, Fenner & Smith, Inc. and Michael A. Bertuzzi.

The Arbitration Panel has assessed \$1,200.00 of the forum fees to Merrill Lynch, Pierce, Fenner & Smith, Inc.

Fee Summary

Claimant, Lana DeGeorge, is liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 975.00
Less payments	= \$ 1,575.00
Refund to Claimant	= \$ 600.00

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

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 1,200.00
Total Fees	= \$ 8,200.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. and Michael A. Bertuzzi, are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$.00
Balance Due NASD Dispute Resolution	= \$ 600.00

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

ARBITRATION PANEL

Pamela B. Houck - Public Arbitrator, Presiding Chair
Jack Chapline Vaughan - Public Arbitrator
Larry J. Sklar - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Pamela B. Houck
Pamela B. Houck
Public Arbitrator, Presiding Chair

April 9, 2005
Signature Date

/s/ Jack Chapline Vaughan
Jack Chapline Vaughan
Public Arbitrator

April 7, 2005
Signature Date

/s/ Larry J. Sklar
Larry J. Sklar
Non-Public Arbitrator

April 7, 2005
Signature Date

April 11, 2005
Date of Service (For NASD office use only)

ARBITRATION PANEL

Pamela B. Houck - Public Arbitrator, Presiding Chair
Jack Chapline Vaughan - Public Arbitrator
Larry J. Sklar - Non-Public Arbitrator

Concurring Arbitrators:

Pamela B Houck
Pamela B. Houck
Public Arbitrator, Presiding Chair

April 19, 2005
Signature Date

Jack Chapline Vaughan
Jack Chapline Vaughan
Public Arbitrator

Signature Date

Larry J. Sklar
Larry J. Sklar
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

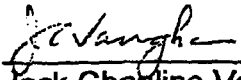
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Jack Chapline Vaughan - Public Arbitrator
Larry J. Sklar - Non-Public Arbitrator

Concurring Arbitrators:

Pamela B. Houck
Public Arbitrator, Presiding Chair

Signature Date



Jack Chapline Vaughan
Public Arbitrator

April 7, 2005
Signature Date

Larry J. Sklar
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

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Jack Chapline Vaughan - Public Arbitrator
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Concurring Arbitrators:

Pamela B. Houck
Public Arbitrator, Presiding Chair

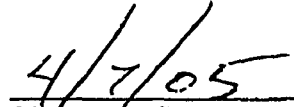
Signature Date

Jack Chapline Vaughan
Public Arbitrator

Signature Date



Larry J. Sklar
Non-Public Arbitrator



Signature Date

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