

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Thomas J. Dillon and Karen K. Dillon (Claimants) v. Michael E. Zweig, The Zweig Group, and Merrill Lynch, Pierce, Fenner & Smith, Inc., and Phillip Irvin (Respondents)

Case Number: 04-00173

Hearing Site: Columbus, Ohio

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

REPRESENTATION OF PARTIES

Claimants Thomas J. Dillon ("T. Dillon") and Karen K. Dillon ("K. Dillon") hereinafter collectively referred to as "Claimants": Charley Hess, Esq., Columbus, OH.

Respondents Michael E. Zweig ("M. Zweig"), The Zweig Group ("The Zweig Group"), Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch"), and Phillip Irvin ("Irvin") hereinafter collectively referred to as "Respondents": Joshua R. Cohen, Esq., Cohen Rosenthal & Kramer, LLP, Cleveland, OH.

CASE INFORMATION

Statement of Claim filed on or about: January 7, 2004.

Claimants signed the Uniform Submission Agreement: December 22, 2003.

Joint Statement of Answer filed by Respondents on or about: April 19, 2004.

Respondent M. Zweig signed the Uniform Submission Agreement: May 3, 2004.

Respondent The Zweig Group signed the Uniform Submission Agreement: January 29, 2004.

Respondent Merrill Lynch signed the Uniform Submission Agreement: February 6, 2003.

Respondent Irvin signed the Uniform Submission Agreement: May 13, 2005

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; unauthorized trading; breach of contract; breach of fiduciary duty; and failure to supervise. The causes of action relate to unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$1,000,000.00; costs in the amount of \$1,575.00; attorneys' fees; and other case-related costs.

Respondents requested dismissal, with prejudice, of the Statement of Claim in its entirety; expungement of any mention of this action from the pertinent regulatory filings; costs, including reasonable attorneys' fees; and any other relief the Panel deems just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

On or about February 15, 2005, NASD Dispute Resolution was notified that the parties settled this matter and requested the entry of this Stipulated Award.

On or about May 16, 2005, Claimants amended their claim to include Phillip Irvin as a Respondent for the purpose of requesting expungement of this matter from his CRD records.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed 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. Pursuant to the confidential settlement agreement reached between the Claimants and Respondents, all claims against the Respondents are dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Michael E. Zweig'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, Respondent Michael E. Zweig must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Phillip Irvin'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, Respondent Phillip Irvin must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
4. Respondents and Claimants will bear their own costs and expenses associated with the above-referenced arbitration.
5. Any and all relief not specifically addressed herein 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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, Merrill Lynch, Pierce, Fenner & Smith, Inc. is a party.

Member Surcharge	= \$2,250.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$4,000.00</u>
Total Member Fees	= \$7,000.00

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:

Two (3) Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$3,600.00
Pre-hearing conferences:	
June 21, 2004	1 session
July 12, 2004	1 session
April 12, 2005	1 session
Total Forum Fees	= \$3,600.00

1. The Panel has assessed 100% of the forum fees for the June 21, 2004 pre-hearing conference; 50% of the forum fees for the July 12, 2004 pre-hearing conference; and 50 % of the forum fees for the April 12, 2005 pre-hearing conference, jointly and severally against Claimants.
2. The Panel has assessed 50% of the forum fees for the July 12, 2004 pre-hearing conference and 50% of the forum fees for the April 12, 2005 pre-hearing conference, jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	= <u>\$2,400.00</u>
Total Fees	= \$2,775.00
<u>Less payments</u>	= <u>\$1,575.00</u>
Balance Due NASD Dispute Resolution	= \$1,200.00

2. Respondent Merrill Lynch is solely liable for:

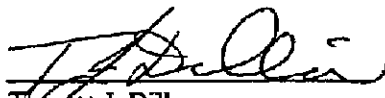
<u>Member Fees</u>	= <u>\$7,000.00</u>
Total Fees	= \$7,000.00
<u>Less payments</u>	= <u>\$7,000.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= <u>\$1,200.00</u>
Total Fees	= \$1,200.00
<u>Less payments</u>	= <u>\$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$1,200.00

All balances are due and payable to NASD Dispute Resolution

Parties' Signatures


Thomas J. Dillon
Claimant

5/10/05
Date


Karen K. Dillon
Claimant

5/10/05
Date

Merrill Lynch, Pierce, Fenner & Smith, Inc.
Incorporated
Respondent

Date

Michael E. Zweig
Respondent

Date

The Zweig Group
Respondent

Date

Phillip Irvin
Respondent

Date

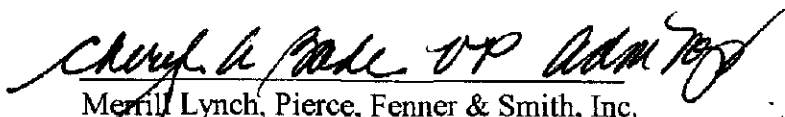
Parties' Signatures

Thomas J. Dillon
Claimant

Date

Karen K.. Dillon
Claimant

Date



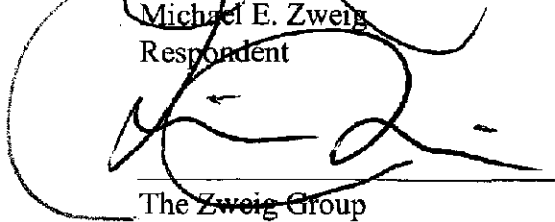
Merrill Lynch, Pierce, Fenner & Smith, Inc.
Incorporated
Respondent

5-11-05
Date



Michael E. Zweig
Respondent

5-10-05
Date



The Zweig Group
Respondent

5-10-05
Date



Phillip Irvin
Respondent

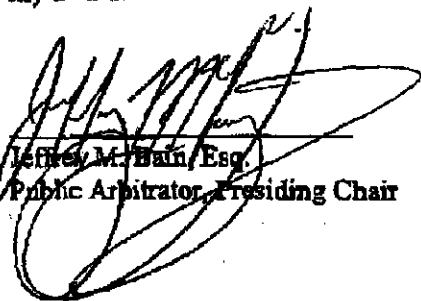
5/10/05
Date

ARBITRATION PANEL

Jeffrey M. Bain, Esq.	-	Public Arbitrator, Presiding Chair
Dennis C. Belli, Esq.	-	Public Arbitrator
Donald E. Morris	-	Non-Public Arbitrator

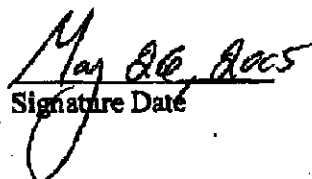
Concurring Arbitrators' Signatures

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.


Jeffrey M. Bain, Esq.
Public Arbitrator, Presiding Chair

Dennis C. Belli, Esq.
Public Arbitrator

Donald E. Morris
Non-Public Arbitrator


Signature Date

Signature Date

Signature Date

June 13, 2005
Date of Service (For NASD office use only)

ARBITRATION PANEL


Jeffrey M. Bain, Esq.	-	Public Arbitrator, Presiding Chair
Dennis C. Belli, Esq.	-	Public Arbitrator
Donald E. Morris	-	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 in which is my award.

Jeffrey M. Bain, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Dennis C. Belli, Esq.
Public Arbitrator

05-27-05

Signature Date

Donald E. Morris
Non-Public Arbitrator

Signature Date

June 13, 2005
Date of Service (For NASD office use only)

ARBITRATION PANEL

Jeffrey M. Bain, Esq.	-	Public Arbitrator, Presiding Chair
Dennis C. Belli, Esq.	-	Public Arbitrator
Donald E. Morris	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

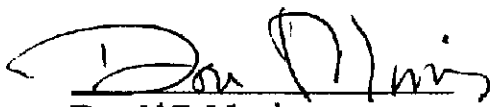
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.

Jeffrey M. Bain, Esq.
Public Arbitrator, Presiding Chair

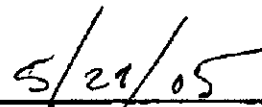
Signature Date

Dennis C. Belli, Esq.
Public Arbitrator

Signature Date



Donald E. Morris
Non-Public Arbitrator



Signature Date

June 13, 2005
Date of Service (For NASD office use only)