
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

William G. Hill
Linda P. Hill
J. Mathews Pound
Celia H. Pound

Case Number: 04-00550

Names of the Respondents

Merrill Lynch, Pierce Fenner & Smith, Inc.
Chloe L. Dekle

Hearing Site: Atlanta, Georgia

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For William G. Hill ("W. Hill"), Linda P. Hill ("L. Hill"), J. Mathews Pound ("J. Pound") and Celia H. Pound ("C. Pound"), hereinafter collectively referred to as "Claimants": Richard S. Schlueter, Esq., Childers, Buck and Schlueter, LLP, Atlanta, Georgia.

For Merrill Lynch, Pierce Fenner & Smith, Inc. ("MLPFS") and Chloe L. Dekle ("Dekle"), hereinafter collectively referred to as "Respondents": Terry R. Weiss, Esq., Avital Stadler, Esq. and Brian C. Hale Esq., Sutherland Asbill & Brennan, LLP, Atlanta, Georgia.

CASE INFORMATION

Statement of Claim filed on or about: January 27, 2004.

Claimants signed the Uniform Submission Agreements on or about: January 23, 2004.

Statement of Answer filed by Respondents on or about: April 16, 2004.

Respondent Dekle signed the Uniform Submission Agreement on or about: March 9, 2004.

Respondent MLPFS signed the Uniform Submission Agreement on or about: March 24, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; violation of Georgia Blue Sky Laws; negligence; negligent supervision; negligent misrepresentation; fraud; and, breach of contract. The causes of action relate to the purchase and sale of shares of Global Crossing in Claimants' account.

Unless specifically admitted in their Answer, Respondents denied all allegations of wrongdoing set forth in the Statement of Claim and asserted the following defenses, among others: all activity in the accounts were suitable for and consistent with Claimants' stated investment objectives; Claimants' losses, if any, were sustained as a result of Claimants' own negligence and/or contributory negligence; the Statement of Claim fails to state a cause of action

upon which relief may be granted; and Claimants' claims are barred by laches, unclean hands, estoppel, ratification, assumption of risk, failure to mitigate damages, and the applicable statutes of limitations.

RELIEF REQUESTED

Claimants W. Hill and L. Hill requested compensatory damages in the amount of \$5,300,000.00, an unspecified amount of punitive damages, plus interest, costs, attorneys' fees and such other damages as the Panel deemed appropriate.

Claimants J. Pound and C. Pound requested compensatory damages in the amount of \$4,000,000.00, an unspecified amount of punitive damages, plus interest, costs, attorneys' fees and such other damages as the Panel deemed appropriate.

Respondents requested an Award rejecting Claimants' Statement of Claim in its entirety, that all costs be assessed against Claimants, that this matter be expunged from the NASD Central Registration Depository ("CRD") record of Respondent Dekle, and that the Panel grant Respondents such other relief as the Panel deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 9, 2006, Claimants filed with NASD Dispute Resolution a Dismissal With Prejudice of Respondent Dekle.

On or about January 10, 2006, Claimants filed with NASD Dispute Resolution a Dismissal With Prejudice of Respondent MLPFS.

On or about January 11, 2006, the parties submitted a proposed Stipulated Arbitration Award to NASD Dispute Resolution for approval and execution by the Panel.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings and the parties' proposed Stipulated Award, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The parties have amicably resolved their differences and have requested this Stipulated Award.
2. Respondents are dismissed with prejudice.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Dekle's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Dekle must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

4. The parties shall bear their respective costs, including attorneys' fees, except as fees are specifically addressed below.

5. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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
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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. Accordingly, MLPFS is a member firm and a party.

Member surcharge	= \$ 3,350.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No three-day cancellation fees were incurred in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$1,200.00/session = \$ 1,200.00
Pre-hearing conference: July 6, 2004 1 session

Total Forum Fees = \$ 1,200.00

The Panel has assessed \$600.00 of the forum fees jointly and severally to Claimants.

The Panel has assessed \$600.00 of the forum fees jointly and severally to Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

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. Respondent MLPFS is solely liable for:

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

3. Respondents are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 600.00

ARBITRATION PANEL

Vincent L. Sgroso, Esq.	-	Public Arbitrator, Presiding Chairperson
Charles H. McCain	-	Public Arbitrator
Henry W. Grady, III	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ 1/18/06

Vincent L. Sgrosso, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/ 1/18/06

Charles H. McCain
Public Arbitrator

Signature Date

/s/ 1/12/06

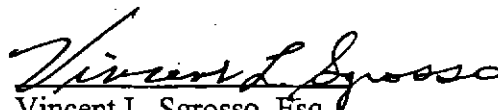
Henry W. Grady, III
Non-Public Arbitrator

Signature Date

January 20, 2006

Date of Service (For NASD Dispute Resolution use only)

Concurring Arbitrators' Signatures



Vincent L. Sgrosso, Esq.
Public Arbitrator, Presiding Chairperson

1-18-06

Signature Date

Charles H. McCain
Public Arbitrator

Signature Date

Henry W. Grady, III
Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution

Arbitration No: 04-00550

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Public Arbitrator, Presiding Chairperson

Signature Date



Charles H. McCain
Public Arbitrator

1/18/06
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