

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Karl Neuweiler, Inc. Pension Trust and Karl Neuweiler, Inc. Employees Profit Sharing Plan
(Claimants) v. Carla G. Bond and Merrill Lynch, Pierce, Fenner & Smith, Inc.
(Respondents) v. Daniel Neuweiler (Third-Party Respondent)

Case Number: 04-00829

Hearing Site: Newark, New Jersey

Nature of the Dispute: Customers v. Associated Person and Member v. Customer

REPRESENTATION OF PARTIES

Claimants Karl Neuweiler, Inc. Pension Trust ("Neuweiler Pension Trust") and Karl Neuweiler, Inc. Employees Profit Sharing Plan ("Neuwiler Profit Sharing Plan"), hereinafter collectively referred to as "Claimants": Jeffrey W. Herrmann, Esq., Cohn Lifland Pearlman Herrmann & Knopf, Saddle Brook, NJ.

Respondents Carla G. Bond ("Bond") and Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") hereinafter collectively referred to as "Respondents": David J. Libowsky, Esq., Bressler, Amery & Ross, P.C., New York, NY.

Third-Party Respondent Daniel Neuweiler hereinafter referred to as "D. Neuweiler": Jeffrey W. Herrmann, Esq., Cohn Lifland Pearlman Herrmann & Knopf, Saddle Brook, NJ.

CASE INFORMATION

Statement of Claim filed on or about: February 5, 2004.

Claimants signed the Uniform Submission Agreement: January 20, 2004.

Joint Statement of Answer and Third-Party Claim filed by Respondents on or about: April 2, 2004.

Bond signed the Uniform Submission Agreement: March 12, 2004.

Merrill Lynch signed the Uniform Submission Agreement.

Statement of Answer filed by D. Neuweiler on or about: November 12, 2004.

D. Neuweiler signed the Uniform Submission Agreement. November 20, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: failure to supervise and breach of fiduciary duty. The causes of action relate to mutual funds.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted the following defenses: failure to state a claim, the claims are time-barred, Claimants failed to mitigate any damages, Claimants were contributorily and/or comparatively negligent, any claims based on transactions which occurred more than six years prior to commencement of the arbitration are ineligible for submission to arbitration, no breach of any duty imposed by operation of law or contract, Claimants' damages due to acts and omissions of third parties over whom Claimants have no control, the claims are barred by the doctrines of waiver, estoppel, ratification, laches and in pari delicto, Claimants' damages were not proximately caused by Respondents, and Respondents acted in good faith and without malice or reckless indifference to Claimants.

In their Third-Party claim, Respondents asserted the following causes of action: breach of fiduciary duty.

Unless specifically admitted in his Answer, D. Neuwiler denied the allegations of wrongdoing set forth in the Third-Party claim.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$950,000.00.

Respondents requested dismissal of the Statement of Claim with prejudice in its entirety, costs and expungement of Bond's CRD records.

Respondents requested in their Third-Party claim that the Panel enter an award against D. Neuwiler for contribution pursuant to 29 U.S.C. Section 1105(a) and for common law contribution.

D. Neuwiler requested that the Third-Party claim be dismissed with prejudice and that costs of the arbitration with respect to this claim be assessed against the Respondents.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 13, 2005, the parties notified NASD Dispute Resolution that the case settled and on January 12, 2006 submitted a Stipulated Award.

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. Claimants' claims are hereby dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Carla Bond's registration record maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Carla Bond must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. Any and all relief not specifically addressed herein, including punitive and/or treble 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	= \$ 375.00
Third-Party Claim filing fee	= \$ 500.00

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
Hearing Process Fee	= \$ 4,000.00

Adjournment Fees

The following adjournment fees are assessed:

June 14 – 17, 2006, adjournment requested by Respondents	= \$1,200.00
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Claimants and D. Neuwiler's share	= \$600.00
Respondents' share	= \$600.00

September 28 – 30, 2005, adjournment requested by the parties = WAIVED

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 last four (4) hours or less. Forum fees associated with these proceedings are:

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

Pre-hearing conferences:	August 10, 2004	1 session
	September 22, 2004	1 session
	November 24, 2004	1 session

Total Forum Fees	= \$ 3,600.00
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1. The Panel has assessed \$600.00 of the forum fees jointly and severally to Claimants and D. Neuwiler for the initial pre-hearing conference held on August 10, 2004.
2. The Panel has assessed \$600.00 of the forum fees jointly and severally to Respondents for the initial pre-hearing conference held on August 10, 2004.
3. The parties have agreed that Claimants jointly and severally shall pay \$600.00 of the remaining forum fees.
4. The parties have agreed that D. Neuweiler shall pay \$600.00 of the remaining forum fees.
5. The parties have agreed that Merrill Lynch shall pay \$600.00 of the remaining forum fees.
6. The parties have agreed that Bond shall pay \$600.00 of the remaining forum fees.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 975.00
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Claimants and D. Neuwiler are solely liable for

Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 600.00

Total Fees	= \$1,200.00
<u>Less payments</u>	<u>= \$1,284.00</u>
Refund Due Claimants (previously refunded)	= \$ 84.00
3. D. Neuwiler is solely liable for:	
<u>Forum Fees</u>	<u>= \$ 600.00</u>
<u>Total Fees</u>	<u>= \$ 600.00</u>
<u>Less payments</u>	<u>= \$ 600.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00
4. Merrill Lynch, Pierce, Fenner & Smith, Inc. is solely liable for:	
Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	<u>= \$ 600.00</u>
<u>Total Fees</u>	<u>= \$ 7,600.00</u>
<u>Less payments</u>	<u>= \$ 8,600.00</u>
Refund Due Merrill Lynch (previously refunded)	= \$ 1,000.00
5. Respondents are jointly and severally liable for:	
Third-Party Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 600.00</u>
<u>Total Fees</u>	<u>= \$ 1,700.00</u>
<u>Less payments</u>	<u>= \$ 1,700.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00
6. Bond is solely liable for:	
<u>Forum Fees</u>	<u>= \$ 600.00</u>
<u>Total Fees</u>	<u>= \$ 600.00</u>
<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.

Parties' Signatures

KARL NEUWEILER, INC. PENSION TRUST

Claimant

By: 

Daniel Neuweiler, As Trustee Of The Karl
Neuweiler, Inc. Pension Trust

12/13/05
Signature Date

KARL NEUWEILER, INC. EMPLOYEES PROFIT SHARING PLAN

Claimant

By: 

Daniel Neuweiler, As Trustee Of The Karl
Neuweiler, Inc. Employees Profit Sharing Plan

12/13/05
Signature Date

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

Respondent/Third Party Claimant

By: _____

Signature Date

Carla Bond

Respondent/Third-Party Claimant

Signature Date

Parties' Signatures

KARL NEUWEILER, INC. PENSION TRUST

Claimant

By: 

Daniel Neuweiler, As Trustee Of The Karl
Neuweiler, Inc. Pension Trust

12/13/05
Signature Date

KARL NEUWEILER, INC. EMPLOYEES PROFIT SHARING PLAN

Claimant

By: 

Daniel Neuweiler, As Trustee Of The Karl
Neuweiler, Inc. Employees Profit Sharing Plan

12/13/05
Signature Date

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

Respondent/Third Party Claimant

By: 

1/6/06
Signature Date

Carla Bond

Respondent/Third-Party Claimant

Signature Date

Parties' Signatures

KARL NEUWEILER, INC. PENSION TRUST
Claimant

By: _____
Daniel Neuweiler, As Trustee Of The Karl
Neuweiler, Inc. Pension Trust


Signature Date

KARL NEUWEILER, INC. EMPLOYEES PROFIT SHARING PLAN
Claimant

By: _____
Daniel Neuweiler, As Trustee Of The Karl
Neuweiler, Inc. Employees Profit Sharing Plan

Signature Date

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
Respondent/Third Party Claimant

By: _____


Carla Bond
Respondent/Third-Party Claimant

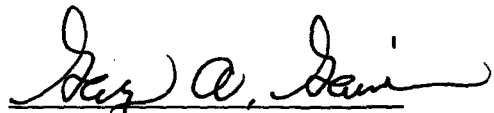
Signature Date

1/3/06

Signature Date

ARBITRATION PANEL

Gary A. Gaines	-	Public Arbitrator, Presiding Chairperson
Charles Ajamian	-	Public Arbitrator
Erica Levitt	-	Non-Public Arbitrator



Gary A. Gaines
Public Arbitrator, Presiding Chairperson

11/13/06
Signature Date

Charles Ajamian
Public Arbitrator

Signature Date

Erica Levitt
Non-Public Arbitrator

Signature Date

November 28, 2006
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Gary A. Gaines	-	Public Arbitrator, Presiding Chairperson
Charles Ajamian	-	Public Arbitrator
Erica Levitt	-	Non-Public Arbitrator

Gary A. Gaines
Public Arbitrator, Presiding Chairperson

Signature Date


Charles Ajamian
Public Arbitrator

11/07/2006
Signature Date

Erica Levitt
Non-Public Arbitrator

Signature Date

November 28, 2006
Date of Service (For NASD Dispute Resolution use only)