

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Debra Martin, Claimant v. Merrill Lynch, Pierce, Fenner & Smith Inc. and Richard L. Labrum,
Respondents

Case Number: 04-01872

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

Paul W. Thomas, Esq.
Law Offices of Paul W. Thomas & Associates
Carlsbad, California

For Respondents:

Bryan I. Reyhani, Esq.
Loeb & Loeb, LLP
New York, New York

CASE INFORMATION

Statement of Claim filed: March 12, 2004

Claimant's Uniform Submission Agreement signed: February 20, 2004

Statement of Answer filed by Respondents: May 10, 2004

Respondent Merrill Lynch, Pierce, Fenner & Smith Inc.'s Uniform Submission Agreement signed:
March 31, 2004

CASE SUMMARY

Claimant alleged fraud, misrepresentation, unauthorized trading, unsuitable securities recommendation, breach of fiduciary duty, failure to supervise, and violations of the rules of the NASD and New York Stock Exchange. Claimant's claims involved unspecified securities.

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

RELIEF REQUESTED

Claimant requested \$112,146.00 in compensatory damages, unspecified punitive damages, pre-judgment interest, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

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

On February 20, 2004, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

Prior to the hearing, Respondent Richard L. Labrum was dismissed with prejudice by Claimant.

Prior to the hearing, the parties fully and finally settled all claims by and between them. Therefore, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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

After considering the pleadings and the Parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant and Respondents have entered into a confidential settlement agreement.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Richard L. Labrum's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Richard L. Labrum must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. Each party shall bear its own costs, including attorney's fees, except as Fees are specifically addressed below.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
--------------------------	-------------

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Merrill Lynch, Pierce, Fenner & Smith Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,750.00</u>
Total Member Fees	= \$ 5,200.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

2 Pre-hearing conference sessions with a single arbitrator @ \$ 450.00/session = \$ 900.00
Pre-hearing conferences: April 21, 2005 1 session
April 25, 2005 1 session

1 Pre-hearing conference session with the Panel @ \$1,125.00/session = \$ 1,125.00
Pre-hearing conference: October 28, 2004 1 session

Total Forum Fees = \$ 2,025.00

1. The Panel assessed \$1,237.50 of the forum fees to Claimant.
2. The Panel assessed \$787.50 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,237.50
Total Fees	= \$ 1,537.50
Less payments	= \$(1,575.00)
Refund Due Claimant	= \$(37.50)

2. Respondent Merrill Lynch, Pierce, Fenner & Smith Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 787.50
Less unused mediation deposit made by	
Respondent Merrill Lynch, Pierce, Fenner & Smith Inc.	= \$(450.00)
Balance Due NASD Dispute Resolution	= \$ 337.50

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

ARBITRATION PANEL

Richard J. Stall, Jr.	-	Public Arbitrator, Presiding Chair
Daniel David Kopman	-	Public Arbitrator
Dean Schneider	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Richard J. Stall, Jr.
Chair, Public Arbitrator

7/21/05
Signature Date

Dean Schneider
Non-Public Arbitrator

Signature Date

Concurring in Part, Dissenting in Part Arbitrator's Signature

This Arbitrator dissents only as to the recommendation of expungement in the Stipulated Award.

Daniel David Kopman
Public Arbitrator

Signature Date

7/22/05
Date of Service

ARBITRATION PANEL

Richard J. Stahl, Jr.
Daniel David Kopman
Dean Schneider

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrator's Signature

Richard J. Stahl, Jr.
Chair, Public Arbitrator

Signature Date


Dean Schneider
Non-Public Arbitrator

7-13-05
Signature Date

Concurring in Part/Disconcurring in Part Arbitrator's Signature

This Arbitrator dissents from the recommendation of expungement in the Stipulated Award.

Daniel David Kopman
Public Arbitrator

Signature Date

7/22/05
Date of Service

ARBITRATION PANEL

Richard J. Stall, Jr.	-	Public Arbitrator, Presiding Chair
Daniel David Kopman	-	Public Arbitrator
Dean Schneider	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Richard J. Stall, Jr.
Chair, Public Arbitrator

Signature Date

Dean Schneider
Non-Public Arbitrator

Signature Date

Concurring in Part, Dissenting in Part Arbitrator's Signature

This Arbitrator dissents only as to the recommendation of expungement in the Stipulated Award.



Daniel David Kopman
Public Arbitrator

7/24/05
Signature Date

7/22/05
Date of Service