

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimants

Joseph St. Martin and Connie St. Martin

and

Case Number: 04-02866
Hearing Site: Detroit, Michigan

Respondents

Merrill, Lynch, Pierce Fenner & Smith, Inc.,
Wachovia Securities Financial Network, L.L.C. f/k/a
First Union Securities Financial Network L.L.C.,
Frederick Henry Hensler, II, and
Hensler & Associates Wealth Management, Inc.

NATURE OF DISPUTE

Customers v. Member Firms, Associated Person and Non-Member

REPRESENTATION OF PARTIES

Joseph St. Martin and Connie St. Martin ("Claimants") were represented by John J. Cooper, Esq., Cooper Law Firm, PLLC, Clinton Township, Michigan. Claimants were represented by Anthony Paesano, Esq., Beals Hubbard, PLC, Farmington Hills, Michigan from on or about April 13, 2004 to September 8, 2004.

Respondent Merrill, Lynch, Pierce Fenner & Smith, Inc. ("MLPFS") was represented by W. Scott Turnbull, Esq., Miller, Canfield, Paddock and Stone, PLC, Detroit, Michigan.

Respondents Wachovia Securities Financial Network, L.L.C. f/k/a First Union Securities Financial Network, L.L.C. ("Wachovia"), Frederick Henry Hensler, II ("Hensler"), and Hensler & Associates Wealth Management, Inc. ("H&AWM") were represented by Gary Saretsky, Esq., Miles D. Hart, Esq., and Eric A. Michaels, Esq., Hertz, Schram & Saretsky, P.C., Bloomfield Hills, MI 48302.

CASE INFORMATION

The Statement of Claim was filed on or about April 19, 2004. The Submission Agreement of Joseph St. Martin and Connie St. Martin was signed on or about April 5, 2004.

The Statement of Answer was filed by MLPFS on or about July 28, 2004.

The Statement of Answer was filed jointly by Wachovia, Hensler and H&AWM on or about July 16, 2004. The Submission Agreement of Frederick Henry Hensler, II was signed on or about September 20, 2004 by Frederick Henry Hensler, II. The Submission Agreement of Hensler & Associates Wealth Management, Inc. was signed on or about September 20, 2004 by Frederick Henry Hensler, II.

CASE SUMMARY

Claimants asserted the following causes of action: violation of §10 of the Securities and Exchange Act of 1934; fraud; misrepresentation; breach of contract; breach of fiduciary duty; violation of Michigan's Consumer Protection Act; and violation of Michigan's Uniform Securities Act. The causes of action related to Respondents' alleged failure to manage and grow Claimants' retirement portfolio consisting of unspecified annuities, common stock, and mutual funds.

Unless specifically admitted in its Answer, MLPFS denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim fails to state a claim upon which relief can be granted; the Statement of Claim is barred by reason of Claimants' negligence; comparative negligence and contributory negligence; and the Statement of Claim is barred by reason of the doctrines of waiver, estoppel, laches and release.

Unless specifically admitted in their Answer, Wachovia, Hensler and H&AWM denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimants fail to state a claim upon which relief can be granted; all transactions were suitable for Claimants; Claimants' claims may be barred by the applicable statutes of limitation; and Wachovia, Hensler and H&AWM did not owe Claimants a fiduciary duty.

RELIEF REQUESTED

Claimant requested an award of compensatory damages in the amount of \$50,000.00, plus interest, \$500,000.00 in punitive damages, attorneys' fees, costs and any other relief the panel deemed appropriate.

MLPFS requested that the Statement of Claim be dismissed with prejudice and that it be awarded its costs and attorneys' fees and other relief the panel deemed appropriate.

Wachovia, Hensler and H&AWM requested that the claims asserted against them be denied in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

MLPFS and Wachovia did not file with NASD Dispute Resolution a properly executed submission to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim are bound by the determination of the arbitration panel on all issues submitted.

The panel has been informed that the parties have agreed to resolve this matter. However, Respondent Hensler has asked the Panel to enter an Award recommending the expungement of all references to the above-captioned arbitration from all registration records of Respondent Frederick Henry Hensler, II, maintained by NASD Central Registration Depository ("CRD"), with the understanding that, pursuant to NASD Notice to Members 04-16, Respondent Frederick Henry Hensler, II, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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 conclusions of law, the undersigned arbitrators order as follows:

- 1.) All claims having been withdrawn, the same are hereby dismissed with prejudice and without costs, except such costs as specified below;
- 2.) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Frederick Henry Hensler, II's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Frederick Henry Hensler, II must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitration panel has made the following affirmative finding of fact:

The claim, allegation, or information is false.

- 3.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby 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 = \$300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firms are Merrill, Lynch, Pierce Fenner & Smith, Inc. and Wachovia Securities Financial Network, L.L.C f/k/a First Union Securities Financial Network L.L.C.

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

Adjournment Fees

Adjournments requested during these proceedings:

November 1-4, 2005, adjournment requested jointly (fee waived by panel) = \$ 1,200.00

Forum Fees and Assessments

The Panel has assessed 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: October 10, 2004 1 session

Total Forum Fees = \$1,200.00

The Arbitration Panel has assessed \$400.00 of the forum fees jointly and severally to Joseph St. Martin and Connie St. Martin.

The Arbitration Panel has assessed \$400.00 of the forum fees to Merrill, Lynch, Pierce Fenner & Smith, Inc.

The Arbitration Panel has assessed \$400.00 of the forum fees jointly and severally to Wachovia Securities Financial Network, L.L.C. f/k/a First Union Securities Financial Network L.L.C., Frederick Henry Hensler, II, and Hensler & Associates Wealth Management, Inc.

Fee Summary

Claimants, Joseph St. Martin and Connie St. Martin, are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 400.00
Total Fees	= \$ 775.00
Less payments	= \$ 1,575.00
Balance refunded by NASD Dispute Resolution	= \$ 800.00

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

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 400.00
Total Fees	= \$ 7,400.00
Less payments	= \$ 5,950.00
Balance refunded by NASD Dispute Resolution	= \$ 1,450.00

Respondent, Wachovia Securities Financial Network, L.L.C f/k/a First Union Securities Financial Network L.L.C. is liable for:

Member Fees	= \$ 7,000.00
Total Fees	= \$ 7,000.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 1,800.00

Respondents, Wachovia Securities Financial Network, L.L.C. f/k/a First Union Securities Financial Network L.L.C., Frederick Henry Hensler, II, and Hensler & Associates Wealth Management, Inc., are jointly and severally liable for:

Forum Fees	= \$ 400.00
Total Fees	= \$ 400.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 400.00

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

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ARBITRATION PANEL

Harvey Frank - Public, Presiding Chair
Terrance J. Dorcy - Public Arbitrator
Gary C. Peters, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Harvey Frank
Harvey Frank
Public Arbitrator, Presiding Chair

3/8/06
Signature Date

Terrance J. Dorcy
Terrance J. Dorcy
Public Arbitrator

Signature Date

Gary C. Peters, Esq.
Gary C. Peters, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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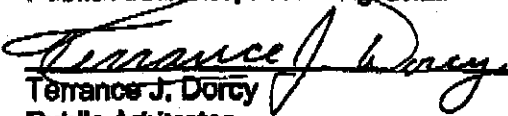
ARBITRATION PANEL

Harvey Frank - Public, Presiding Chair
Terrance J. Dorcy - Public Arbitrator
Gary C. Peters, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Harvey Frank
Public Arbitrator, Presiding Chair

Signature Date


Terrance J. Dorcy
Public Arbitrator

March 9, 2006
Signature Date

Gary C. Peters, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Arbitration No. 04-02888
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ARBITRATION PANEL

Harvey Frank - Public, Presiding Chair
Terrance J. Dorcy - Public Arbitrator
Gary C. Peters, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Harvey Frank
Public Arbitrator, Presiding Chair

Signature Date

Terrance J. Dorcy
Public Arbitrator

Signature Date



Gary C. Peters, Esq.
Non-Public Arbitrator

3/09/06

Signature Date

Date of Service (For NASD office use only)