

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant

Dorothea D. Davis, as guardian for
Adeline F. Davis

Case Number: 04-03131

Names of the Respondents

Merrill Lynch, Pierce, Fenner & Smith, Inc.
Geoffrey A. Thomas

Hearing Site: Philadelphia, PA

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

REPRESENTATION OF PARTIES

Claimant, Dorothea D. Davis, as guardian for Adeline F. Davis, hereinafter referred to as "Claimant", was represented by Ravi V. Kothare, Esq., Sterling Law Group, Kothare & Kornicki, LLC, Marlton, New Jersey.

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") and Geoffrey A. Thomas ("Thomas"), hereinafter collectively referred to as "Respondents", were represented by G. Jeffrey Boujoukos, Esq. and Polly A. Hayes, Esq., Morgan, Lewis & Bockius, LLP, Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on April 28, 2004.

Claimant signed the Uniform Submission Agreement on April 22, 2004.

Statement of Answer filed by Respondents August 23, 2004.

A representative of Respondent Merrill Lynch signed the Uniform Submission Agreement on August 20, 2004.

Respondent Thomas signed the Uniform Submission Agreement on August 17, 2004.

CASE SUMMARY

Claimant, in the Statement of claim, asserted the following causes of action: misrepresentation, omission of material facts, suitability, negligence, negligent supervision, failure to supervise, and breach of fiduciary duty. The causes of action relate to the purchase of various equity mutual funds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted; contributory negligence; failure to mitigate damages; any damages were attributable to market conditions; assumption of risk; Claimant approved and authorized all transactions; Claimant's claim is barred by laches, waiver, ratification, and

estoppel; an adequate and reasonable system of supervision was in place; Respondents acted in good faith; Respondents were not fiduciaries *vis-à-vis* Claimant; statutes of limitation; and there is no basis in law or equity for an award of punitive damages or attorneys' fees.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 321,379.00
Punitive Damages	\$ 300,000.00
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents requested dismissal of the Statement of Claim in its entirety, that the Arbitration Panel (the "Panel") order the expungement of all reference to this arbitration from Respondent Hoffman's registration records maintained by the NASD Central Registration Depository ("CRD"), and that the Panel award Respondents costs and expenses of this proceeding, including forum fees.

OTHER ISSUES CONSIDERED AND DECIDED

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

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The listed parties have amicably resolved their differences and have requested this Stipulated Award;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Thomas's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Thomas 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 of the NASD Code of Arbitration Procedure, the arbitration panel has made the following affirmative findings of fact:

The claim, allegation, or information is false.

3. That each party shall bear its own costs and expenses, including attorneys' fees, except as Fees are specifically addressed below; and
4. That 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 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. Accordingly, Respondent Merrill Lynch is a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 6-8, 2005, adjournment requested by Respondents = \$ 1,200.00

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:

November 28, 2005 hearing settled by parties = \$ 300.00

1. The Panel has assessed \$150.00 of the three-day cancellation fees to Claimant.
2. The Panel has assessed \$150.00 of the three-day cancellation fees jointly and severally to Respondents.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: March 24, 2005

Three (3) Pre-hearing sessions with Panel @ \$ 1,200.00 = \$ 3,600.00
Pre-hearing conferences: November 30, 2004 1 session
March 14, 2005 1 session
March 1, 2006 1 session

Total Forum Fees = \$ 4,050.00

1. The Panel has assessed \$2,025.00 of the forum fees to Claimant.
2. The Panel has assessed \$2,025.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$ 375.00
Adjournment Fee	= \$ 600.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 2,025.00
Total Fees	= \$ 3,150.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 1,575.00
2. Respondent Merrill Lynch is assessed and shall pay:

Member Fees	= \$ 7,000.00
Total Fees	= \$ 7,000.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Respondents are jointly and severally assessed and shall pay:

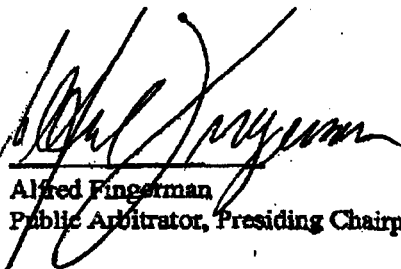
Adjournment Fee	= \$ 600.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 2,025.00
Total Fees	= \$ 2,775.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,775.00

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

ARBITRATION PANEL

Alfred Fingerman	-	Public Arbitrator, Presiding Chairperson
Blaine S. Greenfield	-	Public Arbitrator, Panelist
Martin Kobak	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


Alfred Fingerman
Public Arbitrator, Presiding Chairperson

4/19/06
Signature Date

Blaine S. Greenfield
Public Arbitrator, Panelist

Signature Date

Martin Kobak
Non-Public Arbitrator, Panelist

Signature Date

April 20, 2006
Date of Service (For NASD Dispute Resolution office use only)

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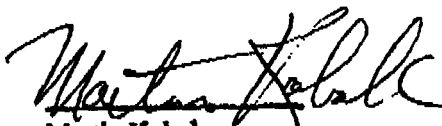
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