

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Ron Peterson

and

Case Number: 04-03611
Hearing Site: Chicago, Illinois

Names of Respondents

Merrill Lynch Pierce Fenner & Smith, Inc.,
Maureen M. Raihle and
John Peter Verbockel

NATURE OF DISPUTE

Customer v. Member and Associated Persons

REPRESENTATION OF PARTIES

Ron Peterson ("**Claimant**") was represented by Andrew Stoltmann, Esq., Stoltmann Law Office, Chicago, Illinois.

Merrill Lynch Pierce Fenner & Smith, Inc. ("**Merrill Lynch**"), Maureen M. Raihle ("**Raihle**") and John Peter Verbockel ("**Verbockel**"), hereinafter collectively referred to as "Respondents," were represented by Elizabeth L. Shanin, Esq., Sidley Austin Brown & Wood, Chicago, Illinois

CASE INFORMATION

The Statement of Claim was filed on or about May 20, 2004. The Submission Agreement of Claimant, Ron Peterson, was signed on or about May 16, 2004.

The Statement of Answer was filed jointly by Respondents Merrill Lynch Pierce Fenner & Smith, Inc., Maureen M. Raihle and John Peter Verbockel on or about August 2, 2004. The Submission Agreement of Respondent, Merrill Lynch Pierce Fenner & Smith, Inc., was signed on or about June 10, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability, negligence,

misrepresentations, omissions and breach of contract. The causes of action related to the recommendation and purchase of various unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant failed to state a claim upon which relief can be granted; Claimant failed to mitigate his damages; Claimant's failure to timely object to any of the transactions of which he complains constitutes a ratification of these transactions and a waiver or estoppel of Claimant's right to any recovery sought in the Statement of Claim; and Claimant's claims are barred by all applicable statutes of limitations.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$1,146,687.00
Punitive/Exemplary Damages	UNspecified
Attorneys' Fees	UNspecified
Interest	UNspecified
Other Costs	UNspecified
Other Monetary Relief	UNspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs, attorneys' fees and that this claim be expunged from the CRD records of Respondents, Maureen M. Raihle and John Peter Verbockel.

OTHER ISSUES CONSIDERED & DECIDED

On or about July 21, 2005, the parties notified NASD that they had settled all claims.

On or about September 7, 2005, there was an in-person prehearing conference for the parties to present their oral arguments and evidence to the Panel regarding the expungement request. On or about September 7, 2005, the Panel issued an Order granting the expungement request.

Respondents, Maureen M. Raihle and John Peter Verbockel, did not file with the NASD Dispute Resolution properly executed submissions 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, appeared and testified at the prehearings are bound by the determination of the arbitration panel on all issues submitted.

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 the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the prehearings, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimant's claims, each and all are dismissed with prejudice pursuant to the parties' settlement agreement;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondents, Maureen M. Raihle's and John Peter Verbockel's, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondents, Maureen M. Raihle and John Peter Verbockel, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and

Unless NASD specifically waives this requirement in writing, 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:

With respect to the research and supervision claims, Respondents, Maureen M. Raihle and John Peter Verbockel, were not involved in the alleged investment-related sales practice violations; and

With respect to all other claims, the allegations underlying those claims are false.

- 4.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial 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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is Merrill Lynch Pierce Fenner & Smith, Inc.

Member surcharge = \$ 2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 5,000.00

Forum Fees and Assessments

The Arbitration 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 lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00 = \$ 900.00

Pre-hearing conferences: December 17, 2004 1 session
May 3, 2005 1 session

Two (2) Pre-hearing sessions with Panel x \$1,200.00 = \$ 2,400.00

Pre-hearing conferences: November 5, 2004 1 session
September 7, 2005 1 session

Total Forum Fees = \$ 3,300.00

The Arbitration Panel has assessed \$1650.00 of the forum fees to Ron Peterson.

The Arbitration Panel has assessed \$1650.00 of the forum fees jointly and severally to Merrill Lynch Pierce Fenner & Smith, Inc., Maureen M. Raihle and John Peter Verbockel.

Fee Summary

Claimant, Ron Peterson, is liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 1,650.00
Total Fees	= \$ 2,150.00
Less payments	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 450.00

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

Member Fees	= \$ 8,550.00
Total Fees	= \$ 8,550.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Merrill Lynch Pierce Fenner & Smith, Inc., Maureen M. Raihle and John Peter Verbockel, are jointly and severally liable for:

Forum Fees	= \$ 1,650.00
Total Fees	= \$ 1,650.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,650.00

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

ARBITRATION PANEL

John W. Jerak, Esq. - Public Arbitrator, Presiding Chair
Richard C. Moenning, Esq. - Public Arbitrator
Jeffrey S. Fannon - Non-Public Arbitrator

Concurring Arbitrators:

/s/ John W. Jerak, Esq.
John W. Jerak, Esq.
Public Arbitrator, Presiding Chair

December 30, 2005
Signature Date

/s/ Richard C. Moenning, Esq.
Richard C. Moenning, Esq.
Public Arbitrator

December 30, 2005
Signature Date

/s/ Jeffrey S. Fannon
Jeffrey S. Fannon
Non-Public Arbitrator

December 30, 2005
Signature Date

December 30, 2005
Date of Service (For NASD office use only)

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Richard C. Moenning, Esq. - Public Arbitrator
Jeffrey S. Fannon - Non-Public Arbitrator

Concurring Arbitrators:



John W. Jerak, Esq.
Public Arbitrator, Presiding Chair

12/3/2005

Signature Date

Richard C. Moenning, Esq.
Public Arbitrator

Signature Date

Jeffrey S. Fannon
Non-Public Arbitrator

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Signature Date



Richard C. Moenning, Esq.
Public Arbitrator

12-30-2005

Signature Date

Jeffrey S. Fannon
Non-Public Arbitrator

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Public Arbitrator

Signature Date

Jeffrey S. Fannon
Non-Public Arbitrator

12-30-05

Signature Date

Date of Service (For NASD office use only)