

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Arlene Peress (Claimant) v. Merrill Lynch, Pierce, Fenner & Smith Inc. and Dino Santoro
(Respondents)

Case Number: 04-05625

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Arlene Peress hereinafter referred to as "Claimant": Robert E. DeRight, Jr., Esq., Robert E. DeRight, Jr., P.C., New York, NY.

Respondents Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill Lynch") and Dino Santoro ("Santoro") hereinafter collectively referred to as "Respondents": Stuart T. Rebish, Esq., Merrill Lynch, Pierce, Fenner & Smith Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: August 6, 2004.

Claimant signed the Uniform Submission Agreement: August 6, 2004.

Joint Statement of Answer filed by Respondents on or about: November 5, 2004.

Merrill Lynch signed the Uniform Submission Agreement: November 5, 2004.

Santoro signed the Uniform Submission Agreement: October 25, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trading, disregard of investment objectives, unsuitable investments, churning, and failure to supervise. The causes of action relate to various highly volatile and speculative stocks and equities.

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

RELIEF REQUESTED

Claimant requested compensatory damages in an amount not less than \$300,000.00 plus interest, costs and expenses, and such other relief as is deemed appropriate.

Respondents requested that the Statement of Claim be dismissed in its entirety, that the Panel order the expungement of all reference to this arbitration from Respondent Santoro's registration records maintained by the NASD Central Registration Depository ("CRD"), that the Panel award Respondents the costs and expenses of this arbitration, including forum fees and reasonable attorneys' fees, and for such other and further relief as is just and proper.

OTHER ISSUES CONSIDERED AND DECIDED.

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. Claimant and Respondents have entered into a confidential settlement agreement.
2. All claims against Respondents are dismissed with prejudice.
3. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Santoro's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Santoro 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 factually impossible or clearly erroneous.

4. Each party shall bear its own costs and expenses associated with the above-referenced arbitration.
5. Any and all relief not specifically addressed herein 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 = \$300.00

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. Accordingly, Respondent Merrill Lynch is a party.

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 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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$ 2,250.00
Pre-hearing conference: February 8, 2005 1 session	
May 2, 2005 1 session	
<u>Total Forum Fees</u>	<u>= \$ 2,250.00</u>

In accordance with the Panel's Initial Pre-hearing Conference Scheduling Order, forum fees associated with the February 8, 2005 pre-hearing conference is assessed as follows:

1. Claimant is assessed \$562.50 of the forum fees.
2. Respondent Merrill Lynch is assessed \$562.50 of the forum fees.

Pursuant to Rule 10306 of the NASD Code of Arbitration Procedure, the remaining forum fees are assessed equally among the remaining parties as follows:

1. Claimant is assessed \$375.00 of the forum fees.
2. Respondent Merrill Lynch is assessed \$375.00 of the forum fees.
3. Respondent Santoro is assessed \$375.00 of the forum fees.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 937.50</u>
Total Fees	= \$1,237.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Refund Due Claimant	= \$ 187.50

2. Respondent Merrill Lynch is solely liable for:

Member Fees	= \$5,200.00
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Forum Fees	= \$ 937.50
Total Fees	= \$6,137.50
Less payments	= \$3,797.00
Balance Due NASD Dispute Resolution	= \$2,340.50

3. Respondent Santoro is solely liable for:

Forum Fees	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 375.00

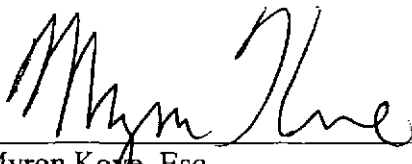
All balances are due and payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Myron Kove, Esq.	-	Public Arbitrator, Presiding Chair
Alexander Tolor, Ph.D	-	Public Arbitrator
Jeffrey I. Kahn	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.



Myron Kove, Esq.
Public Arbitrator, Presiding Chair



Signature Date

Alexander Tolor, Ph.D
Public Arbitrator

Signature Date

Jeffrey I. Kahn
Non-Public Arbitrator

Signature Date

December 23, 2005

Date of Service (For NASD office use only)

ARBITRATION PANEL

Myron Kove, Esq.
Alexander Tolor, Ph.D
Jeffrey I. Kahn

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

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Myron Kove, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Alexander Tolor, Ph.D.
Alexander Tolor, Ph.D.
Public Arbitrator

December 12, 2005
Signature Date

Jeffrey I. Kahn
Non-Public Arbitrator

Signature Date

December 23, 2005

Date of Service (For NASD office use only)

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Myron Kove, Esq.
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Myron Kove, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Alexander Tolor, Ph.D
Public Arbitrator

Signature Date



Jeffrey I. Kahn
Non-Public Arbitrator



Signature Date

December 23, 2005

Date of Service (For NASD office use only)