

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Peggy D. McReynolds

Case Number: 04-07482

Names of the Respondents
Merrill Lynch, Pierce, Fenner & Smith, Inc.
Helen S. Hoffman

Hearing Site: Memphis, Tennessee

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

REPRESENTATION OF PARTIES

Claimant, Peggy D. McReynolds, hereinafter referred to as "Claimant", was represented by A. Daniel Woska, Esq., Woska & Hayes, LLP, Oklahoma City, Oklahoma.

Respondents, Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") and Helen S. Hoffman ("Hoffman"), hereinafter collectively referred to as "Respondents", were represented by Theodore Snyder, Esq., Krebsbach & Snyder, P.C., New York, New York.

CASE INFORMATION

Statement of Claim filed on October 26, 2004.

Claimant signed the Uniform Submission Agreement on August 4, 2003.

Statement of Answer filed by Respondents February 1, 2005.

A representative of Respondent Merrill Lynch signed the Uniform Submission Agreement on December 1, 2004.

Respondent Hoffman signed the Uniform Submission Agreement on February 9, 2005.

CASE SUMMARY

Claimant, in the Statement of claim, asserted the following causes of action: unsuitable investments, negligence, breach of fiduciary duty, control person liability, breach of contract, failure to supervise, violation of federal securities laws, violation of California state securities and consumer protection laws and various other common law claims, including misrepresentation and breach of the duty of good faith and fair dealing.

Unless specifically admitted in their Statement of 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

\$ 66,000.00

Punitive Damages	amount unspecified
Interest	amount unspecified
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 the costs and disbursements of the arbitration, including forum fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about February 16, 2006, Claimant and Respondents notified NASD Dispute Resolution that 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

On February 16, 2006, 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 entry of a Stipulated Award, the written stipulation thereto, the Panel grants the motion and enters this Award granting the following relief:

1. That the parties have amicably resolved their differences and have requested this Stipulated Award;
2. The parties have entered into a confidential settlement agreement;
3. The Claimant has dismissed all claims with prejudice against Respondents;
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Hoffman's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Hoffman 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.

5. That each party shall bear its own costs and expenses, including attorneys' fees, except as Fees are specifically addressed below; and
6. 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 = \$ 225.00

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	= \$ 1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,700.00

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 Panel @ \$ 750.00	= \$ 750.00
Pre-hearing conference: May 19, 2005	1 session
Total Forum Fees	= \$ 750.00

1. The Panel has assessed \$ 375.00 of the forum fees to Claimant.
2. The Panel has assessed \$ 375.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 375.00

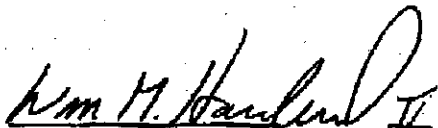
Total Fees	= \$	600.00
Less payments	= \$	2,125.00
Balance	= \$	1,525.00
Less Refund Previously Paid Claimant	= \$	375.00
Refund owed Claimant	= \$	1,150.00
2. Respondent Merrill Lynch is assessed and shall pay:		
Member Fees	= \$	3,550.00
Total Fees	= \$	3,550.00
Less payments	= \$	3,550.00
Balance Due NASD Dispute Resolution	= \$	0.00
3. Respondents are jointly and severally assessed and shall pay:		
Forum Fees	= \$	375.00
Total Fees	= \$	375.00
Less payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	375.00

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

ARBITRATION PANEL

William Graves Hardwick, II, J.D.	-	Public Arbitrator, Presiding Chairperson
J. Maxwell Williams, Esq.	-	Public Arbitrator, Panelist
Gary S. Jefferson, Esq.	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



William Hardwick, II, J.D.
Public Arbitrator, Presiding Chairperson

4/3/06

Signature Date

J. Maxwell Williams, Esq.
Public Arbitrator, Panelist

Signature Date

Gary S. Jefferson, Esq.
Non-Public Arbitrator, Panelist

Signature Date

April 7, 2006
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

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Public Arbitrator, Presiding Chairperson

Signature Date

J. Maxwell Williams
J. Maxwell Williams, Esq.
Public Arbitrator, Panelist

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Signature Date

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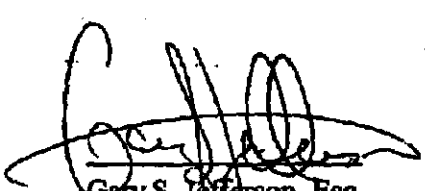
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