

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Renzo Pedrazzi and Jean Pedrazzi (Claimants) vs. Merrill Lynch, Pierce, Fenner & Smith, Inc.,
Shaun Paul Golden, Corey Ira Stein, Daniel Maurice Maniscalco, and Paul David Annunziato
(Respondents)

Case Number: 04-08236

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Member and Associated Persons.

REPRESENTATION OF PARTIES

Claimants Renzo Pedrazzi ("R. Pedrazzi") and Jean Pedrazzi ("J. Pedrazzi"), hereinafter collectively referred to as ("Claimants"): Kim Steven Juhase, Esq., Novak & Juhase, Roseland, NJ.

Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch"), Corey Ira Stein ("Stein"), Daniel Maurice Maniscalco ("Maniscalco"), and Paul Davis Annunziato ("Annunziato"), hereinafter collectively referred to as ("Respondents"): Theodore A. Krebsbach, Esq., Krebsbach & Snyder, P.C. New York, NY.

Respondent Shaun Paul Golden hereinafter referred to as ("Golden"): Lawrence S. Leibowitz, Esq., Law Offices of Lawrence S. Leibowitz, P.C. New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: December 1, 2004.

R. Pedrazzi signed the Uniform Submission Agreement: November 24, 2004.

J. Pedrazzi signed the Uniform Submission Agreement: November 24, 2004.

Joint Statement of Answer filed by Respondents on or about: March 4, 2005.

Merrill Lynch signed the Uniform Submission Agreement: March 2, 2005.

Stein signed the Uniform Submission Agreement: March 8, 2005.

Maniscalco signed the Uniform Submission Agreement: March 8, 2005.

Annunziato signed the Uniform Submission Agreement: March 8, 2005.

Statement of Answer filed by Golden on or about: February 28, 2005.

Golden signed the Uniform Submission Agreement: March 2, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, fraud, negligence, statutory violations, unsuitable transactions and respondeat superior. The causes of action relate to high tech stocks.

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

Unless specifically admitted in his Answer, Golden denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$1,150,000.00, interest, return of margin interest and fees, attorneys' fees and punitive damages.

Respondents requested the dismissal of the Statement of Claim in its entirety, costs and fees, including all forum fees and whatever other relief the arbitrators deem just and proper. Respondents further request expungement of all reference to this arbitration from the CRD records of Stein, Maniscalco and Annunziato

Golden requested dismissal of the Statement of Claim in its entirety, costs and expenses, attorneys' fees and expenses, expungement of this arbitration from his CRD records, and such other and additional relief as the Panel deems just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 8, 2005, Claimants informed NASD Dispute Resolution that they had settled their claim against Shaun Paul Golden.

At the hearing, Respondents made a Motion for Directed Verdict. After due deliberation, the Panel denied the Motion.

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.

PANEL'S REPORT

As counsel for Claimants made plain in their opening and closing statements, the fundamental premise of this arbitration is that the Pedrazzis' sought from Merrill Lynch a diversified, "retirement" portfolio which they did not get, and that Merrill Lynch's account opening documentation did not reflect the actual state of the Claimants' accounts. The evidence offered throughout the hearing by Claimants does not support either theory. Mr. Pedrazzi was a successful investor who frequently obtained investment ideas from non-financial sources such as his employees, and who considered a good investment idea those which he could turn for a substantial profit in short order. In short, it was obvious to the Panel that he considered retirement planning to be making as much money as possible in as short a period of time as possible. He did not read either of the personal financial plans given to him which recommended

a more diversified portfolio, and he was sufficiently sophisticated from his past trading activities to know the nature of the positions in his accounts. Finally, the history of trading in his accounts before, during and after Merrill Lynch confirms that he was an aggressive investor looking to maximize his capital gains and was not interested in more conservative investment strategies.

The Panel also does not give any credence to the allegation that Merrill Lynch's financial advisors told Mr. Pedrazzi in words or substance that there was any program in place that would automatically limit his losses.

Since the Panel specifically finds that the allegations made against the individual registered persons to be false, it is ordering that reference to this matter in their CRD NASD records be expunged.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are hereby denied in their entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Corey Ira Stein's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Corey Ira Stein 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 findings of fact:

The claim, allegation, or information is false.

3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Daniel Maurice Maniscalco's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Daniel Maurice Maniscalco 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 findings of fact:

The claim, allegation, or information is false.

4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Paul David Annunziato's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Paul David Annunziato 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 findings of fact:

The claim, allegation, or information is false.

5. Any and all relief not specifically addressed herein, including punitive damages, 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	= \$ 500.00
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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, Merrill Lynch Pierce Fenner & Smith, Inc. is a party.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A 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 Panel @ \$1,200.00/session	= \$ 2,400.00
Pre-hearing conferences: May 24, 2005	1 session
September 29, 2005	1 session

Sixteen (16) Hearing sessions @ \$1,200.00/session	= \$19,200.00
Hearing Date: January 10, 2006	2 sessions
January 11, 2006	2 sessions
January 12, 2006	2 sessions

January 17, 2006	2 sessions
January 18, 2006	2 sessions
February 6, 2006	2 sessions
April 17, 2006	2 sessions
April 18, 2006	2 sessions

Total Forum Fees	= \$ 21,600.00
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1. The Panel has assessed \$10,800.00 of the forum fees to Claimants.
2. The Panel has assessed \$2,700.00 of the forum fees to Respondent Merrill Lynch.
3. The Panel has assessed \$2,700.00 of the forum fees to Respondent Stein.
4. The Panel has assessed \$2,700.00 of the forum fees to Respondent Maniscalco.
5. The Panel has assessed \$2,700.00 of the forum fees to Respondent Annunziato.

Fee Summary

1. Claimants are liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$ 10,800.00
Total Fees	= \$ 11,300.00
<u>Less payments</u>	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 9,600.00

2. Merrill Lynch is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	= \$ 2,700.00
Total Fees	= \$ 11,250.00
<u>Less payments</u>	= \$ 6,300.00
Balance Due NASD Dispute Resolution	= \$ 4,950.00

3. Respondent Stein is solely liable for:

<u>Forum Fees</u>	= \$ 2,700.00
Total Fees	= \$ 2,700.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,700.00

4. Respondent Maniscalco is solely liable for:

<u>Forum Fees</u>	= \$ 2,700.00
Total Fees	= \$ 2,700.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,700.00

5. Respondent Annunziato is solely liable for:

<u>Forum Fees</u>	= \$ 2,700.00
Total Fees	= \$ 2,700.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,700.00

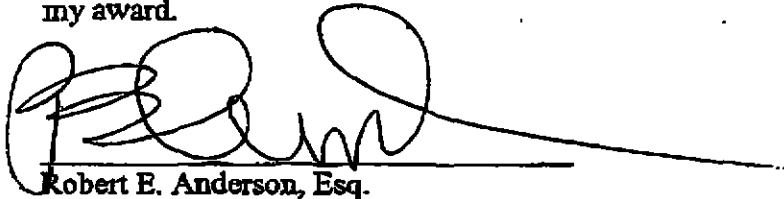
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Robert E. Anderson, Esq.	-	Public Arbitrator, Presiding Chairperson
Thomas F. Fox	-	Public Arbitrator
Cheryl Feldman	-	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.



Robert E. Anderson, Esq.
Public Arbitrator, Presiding Chairperson

5/6/06
Signature Date

Thomas F. Fox
Public Arbitrator

Signature Date

Cheryl Feldman
Non-Public Arbitrator

Signature Date

May 12, 2006
Date of Service (For NASD Dispute Resolution use only)

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Thomas F. Fox	-	Public Arbitrator
Cheryl Feldman	-	Non-Public Arbitrator

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Robert E. Anderson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Thomas F. Fox
Public Arbitrator

5/12/06
Signature Date

Cheryl Feldman
Non-Public Arbitrator

Signature Date

May 12, 2006

Date of Service (For NASD Dispute Resolution use only)

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Robert E. Anderson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Thomas F. Fox
Public Arbitrator

Signature Date



Cheryl Feldman
Non-Public Arbitrator

5/12/06

Signature Date

May 12, 2006

Date of Service (For NASD Dispute Resolution use only)