
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

David G. and Deborah H. Grove

Case Number: 05-03617

Names of the Respondents

Merrill Lynch, Pierce, Fenner & Smith
Anita M. Dungan
Kent V. Pearce

Hearing Site: Baltimore, Maryland

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

REPRESENTATION OF PARTIES

For David G. and Deborah H. Grove, hereinafter referred to as "Claimants": Greg Simon, Esq., SimmonsCooper, LLC, East Alton, Illinois.

For Merrill Lynch, Pierce, Fenner & Smith ("Merrill Lynch"), Anita M. Dungan ("Dungan") and Kent V. Pearce ("Pearce"), hereinafter referred to as "Respondents": Ira L. Oring, Esq., Fedder and Garten, Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on or about: July 15, 2005.
Claimants signed the Uniform Submission Agreement: July 11, 2005.
Statement of Answer filed by Respondents on or about: September 21, 2005.
Respondent Merrill Lynch signed the Uniform Submission Agreement: September 6, 2005.
Respondent Dungan signed the Uniform Submission Agreement: August 22, 2005.
Respondent Pearce signed the Uniform Submission Agreement: August 22, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: 1) breach of fiduciary duty; 2) breach of contract; 3) violation of the Securities Exchange Act of 1934; 4) violation of the Maryland Securities Act; 5) violation of the Maryland Consumer Protection Act; and, 6) negligence. The causes of action relate to the purchase of various unspecified stocks and equity based mutual funds in Claimants' account.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$100,000.00, punitive damages in the amount of \$300,000.00, costs, attorney's fees, pre-judgment interest at the rate of 10% per annum and additional relief as the Panel deemed just and within their authority.

Respondents requested that the Statement of Claim be dismissed, an award of costs, forum fees and such other and further relief as this Panel deemed appropriate. In addition, Respondents requested that the Panel enter an order expunging this matter from the NASD Central Registration Depository (the "CRD") records of Respondents Dungan and Pearce.

OTHER ISSUES CONSIDERED AND DECIDED

On or about June 12, 2006, the parties informed NASD Dispute Resolution that this matter had settled.

On or about June 16, 2006, NASD Dispute Resolution was notified that the parties would be submitting a proposed Stipulated Award with a request for the expungement of the NASD CRD record of Respondent Dungan only. In addition, on or about July 20, 2006, Respondent Dungan submitted to NASD Dispute Resolution a Memorandum in Support of her expungement request.

On July 24, 2006, a telephonic evidentiary hearing was held on Respondent Dungan's expungement request.

The parties have agreed that the Stipulated Award in this matter may be entered in counterpart copies or that a signed handwritten Stipulated Award may be entered.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, 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:

The parties have reached an agreement of all claims asserted in this matter.

Pursuant to NASD Rule 2130, the Panel makes the affirmative finding that Respondent Dungan was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation or conversion of funds.

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Dungan's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Dungan 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.

The parties shall bear their respective costs, including attorneys' fees, except as fees are specifically addressed below.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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
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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 person at the time of the events giving rise to the dispute. Accordingly, Respondent Merrill Lynch is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00
<u>Total Member Fees</u>	<u>= \$ 5,200.00</u>

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed in this matter.

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:

Cancellation fees were assessed in this matter.

Hearings scheduled for June 13 -15, 2006	= \$ 300.00
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The Panel has assessed \$150.00 of the cancellation fee jointly and severally to Claimants.

The Panel has assessed \$150.00 of the cancellation fee jointly and severally to Respondents.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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:

One (1) Decision on discovery-related motions on the papers	= \$ 200.00
with one (1) Arbitrator @\$200.00	
Claimant submitted one (1) discovery-related motion	

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conferences: April 21, 2006	1 session

One (1) Pre-hearing session with the Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conferences: December 15, 2005	1 session

Two (2) Hearing sessions with the Panel @ \$1,125.00	= \$ 2,250.00
Hearing Dates: June 12, 2006	1 session
July 24, 2006	1 session

Total Forum Fees	= \$ 4,025.00
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The Panel has assessed the total forum fees of \$4,025.00 jointly and severally to Claimants.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 4,025.00
Total Fees	= \$ 4,475.00

<u>Less payments</u>	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 3,050.00

Respondent Merrill Lynch is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Cancellation Fee</u>	= \$ 150.00
<u>Total Fees</u>	= \$ 150.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 150.00

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

ARBITRATION PANEL

<i>John Dapray Muir, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>La Verne Fletcher</i>	-	<i>Public Arbitrator</i>
<i>John D. Robb</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
John Dapray Muir, Esq.
Public Arbitrator, Presiding Chairperson

10/17/06
Signature Date

/s/
La Verne Fletcher
Public Arbitrator

10/17/06
Signature Date

/s/
John D. Robb
Non-Public Arbitrator

10/18/06
Signature Date

10/18/06
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution

Arbitration No. 05-03617

Stipulated Award Page 5

Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 3,050.00

Respondent Merrill Lynch is solely liable for:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

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John Dapray Muir, Esq.

La Verne Fletcher

John D. Robb

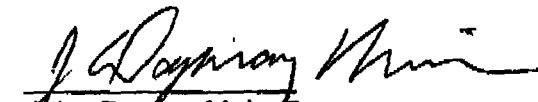
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Public Arbitrator, Presiding Chairperson

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures


 John Dapray Muir, Esq.
 Public Arbitrator, Presiding Chairperson

Oct. 17, 2006
 Signature Date

 La Verne Fletcher
 Public Arbitrator

 Signature Date

 John D. Robb
 Non-Public Arbitrator

 Signature Date

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NASD Dispute Resolution
Arbitration No. 05-03617
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Concurring Arbitrators' Signatures

John Dapray Muir, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


La Verne Fletcher
Public Arbitrator

10/17/06
Signature Date

John D. Robb
Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution
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<i>John D. Robb</i>	-	<i>Non-Public Arbitrator</i>

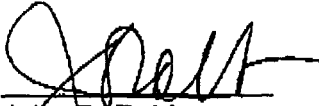
Concurring Arbitrators' Signatures

 John Dapray Muir, Esq.
 Public Arbitrator, Presiding Chairperson

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 La Verne Fletcher
 Public Arbitrator

 Signature Date



 John D. Robb
 Non-Public Arbitrator

10-18-06

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