

NASD REGULATION, INC. STIPULATED AWARD

In the Matter of the Arbitration Between

Name of Claimant

Joseph Franklin

96-04474

Name of Respondents

Merrill Lynch Pierce Fenner & Smith Inc
David E. Kaplan
Gerald J. Litwin

REPRESENTATION

For claimant Joseph Franklin ("claimant") appeared John P. Cione, Esq., with law offices in Solana Beach, California.

For respondents Merrill Lynch Pierce Fenner & Smith Inc. ("Merrill Lynch"), David E. Kaplan ("Kaplan") and Gerald J. Litwin ("Litwin") (collectively "respondents") appeared Neda N. Morvillo, Esq., Assistant Vice President & Counsel for Merrill Lynch located in New York, New York.

CASE INFORMATION

Statement of Claim was filed on: October 7, 1996.

Claimant's Submission Agreement was signed on: September 23, 1996.

A Joint Statement of Answer was filed by respondents on: July 11, 1997.

Merrill Lynch's Submission Agreement was signed on: January 17, 1997.

Kaplan's Submission Agreement was signed on: November 26, 1996.

Litwin's Submission Agreement was signed on: July 9, 1997.

HEARING INFORMATION

Pre-Hearing Conference:	June 2, 1997	One Session
	December 3, 1997	One Session

Hearing Date/Sessions:	December 9, 1997	Two Sessions
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The hearings were conducted at the offices of NASD Regulation, Inc. located in New York,

New York.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Stipulated 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 originals remain on file with NASD Regulation, Inc.

AWARD

At the conclusion of the hearings on December 9, 1997, the parties to this action settled this matter for an amount that they did not wish to disclose for the record. In addition, the parties requested that the panel: 1) dismiss the complaint with prejudice and 2) direct NASD Regulation, Inc. to remove any notation of the matter from the regulation records of the branch manager, David Kaplan.

Accordingly, the panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are hereby dismissed with prejudice.
2. Based upon the merits of this case, the panel hereby orders that all references to this matter be removed from the regulatory records (U-4 and U-5) of David Kaplan by NASD Regulation, Inc.
3. Based upon the merits of this case and in the interests of justice, the panel hereby orders that all references to this matter be removed from the regulatory records (U-4 and U-5) of Gerald Litwin by NASD Regulation, Inc.

FORUM FEES

Pursuant to Rule 10332(c) of the NASD Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. will retain the \$150.00 non-refundable filing fee deposited by claimant and the \$300.00 member surcharge deposited by Merrill Lynch and have assessed the following forum fees:

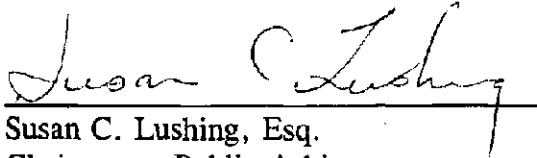
1 Pre-hearing conference x \$300.00	=	\$ 300.00
1 Pre-hearing conference with full panel	=	\$ 500.00
2 Hearing Sessions x \$500.00	=	\$1,000.00

1. Claimant be and hereby is liable for the sum of \$900.00 representing one-half of the total amount of forum fees assessed. Claimant deposited \$500.00 with NASD Regulation, Inc., and therefore, claimant shall pay the balance of \$400.00.

2. Respondents be and hereby are jointly and severally liable for and shall pay the sum of \$900.00 representing one-half of the total amount of forum fees assessed.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS' SIGNATURES



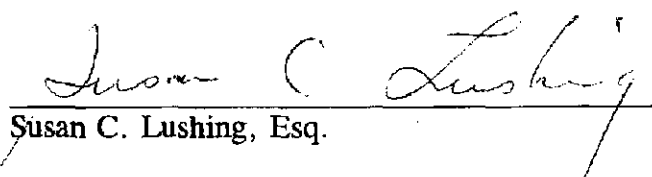
Susan C. Lushing, Esq.
Chairperson-Public Arbitrator

Michael Forster Pisapia, Esq.
Public Arbitrator

Theodore P. Plevretes
Industry Arbitrator

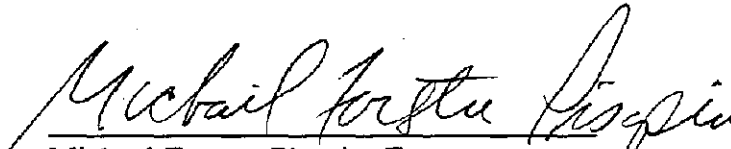
Date of Decision: February 11, 1998

I, Susan C. Lushing, Esq., 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.


Susan C. Lushing, Esq.

ARBITRATORS' SIGNATURES

Susan C. Lushing, Esq.
Chairperson-Public Arbitrator

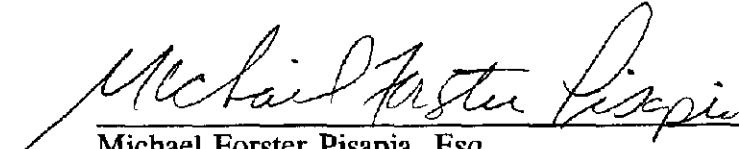


Michael Forster Pisapia, Esq.
Public Arbitrator

Theodore P. Plevretes
Industry Arbitrator

Date of Decision: February 11, 1998

I, Michael Forster Pisapia, Esq., 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.



Michael Forster Pisapia, Esq.

ARBITRATORS' SIGNATURES

Susan C. Lushing, Esq.
Chairperson-Public Arbitrator

Michael Forster Pisapia, Esq.
Public Arbitrator

Theodore P. Plevretes
Theodore P. Plevretes
Industry Arbitrator

Date of Decision: February 11, 1998

I, Theodore P. Plevretes, 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.

Theodore P. Plevretes
Theodore P. Plevretes