

Exhibit 2

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

_____	:	
MARYBETH CREMIN, NANCY THOMAS,	:	
ANNE KASPAR, SONIA INGRAM,	:	
ALICE MOSS, LINDA CONTI,	:	
ANNE MARIE KEARNEY and ANGELA COVO,	:	No. 96 C 3773
on behalf of themselves and all others	:	
similarly situated,	:	Judge Castillo
	:	
Plaintiffs,	:	Magistrate Judge Guzman
	:	
v.	:	
	:	
MERRILL LYNCH, PIERCE,	:	
FENNER & SMITH INC. and	:	
JOSEPH GANNOTTI,	:	
	:	
Defendants.	:	
_____	:	

STIPULATION OF SETTLEMENT

(iii) In cases where the Claimant is seeking reinstatement, the Neutral(s) shall first hold a hearing and issue an award concerning all of the Claimant's monetary remedies, including any amount of front pay that would be provided to the Claimant in lieu of reinstatement in the event reinstatement is not awarded. Thereafter, if the Claimant still wishes to seek reinstatement, a further hearing will be held concerning the appropriateness of reinstatement and, at that hearing, the Firm will be free to offer in opposition to the request for reinstatement any evidence relevant to the issue of reinstatement, including after-acquired evidence.

7.11(8)(c) **Medical or Mental Health Evidence.** No party shall offer, nor shall the Neutral(s) admit into evidence at any hearing, any medical records or other medical evidence, including, without limitation, mental health records or evidence, concerning the Claimant(s), except that any Respondent may introduce relevant medical or mental health records or other relevant medical or mental health evidence (including, without limitation, such relevant evidence in the possession of the Firm prior to the Third-Stage Hearing to the extent permitted by law) concerning any Claimant who raises any issue of physical, psychological or emotional injury or distress of any kind.

7.11(8)(d) **Statistics.** Statistical evidence and portions of the videotape of the Statistical Evidence Hearing relevant to a Third-Stage Hearing-Eligible Claim may be offered by any party at the hearing concerning such Third-Stage Hearing-Eligible Claim and may be admitted into evidence by the Neutral(s).

7.11(8)(e) **Burdens of Going Forward.** The Firm, without admitting liability, will have the burden of going forward at the Third-Stage Hearing with regard

7.11(8)(h) Notwithstanding anything to the contrary contained in the Settlement Stipulation, the Parties may introduce evidence or information that was generated, submitted or exchanged in the course of the Parties' mediation before David Rotman and Margaret Shaw (as described in Section 1) or in the course of any Mediation or settlement negotiations or discussions in the CRP to the extent it was obtained from any other source.

7.11(9) **Decisions and Awards of the Neutral(s)**. The Neutral(s) will issue a separate written award with respect to each CRP Claim within 14 calendar days of the conclusion of the hearing. A decision of a majority of the three members of the Third-Stage Hearing Panel shall constitute the decision of the Panel. The Respondent(s) and the Claimant(s) may agree in writing to extend the time for the Neutral(s) in a particular case to render the awards before or after expiration of the 14 day period. The Neutral(s) shall deliver copies of all written decisions and award(s) to the CRP Administrator, who shall serve copies on each Claimant or her counsel, the Firm's Claims Administrator and any other Respondent or his or her counsel within three business days of the CRP Administrator's receipt thereof.

7.11(10) **Review of Third-Stage Hearing Awards**.

7.11(10)(a) Third-Stage Hearing awards rendered in the CRP shall be final and binding on the Respondent(s) and Claimant(s) and shall be reviewable and may be vacated only by the District Court and only on the following grounds: (i) where the award was procured by corruption, fraud or undue means; (ii) where there was evident partiality or corruption in the Neutral(s), the CRP Administrator or the Special Master; (iii) where the Neutral(s), the CRP Administrator or the Special Master were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and

material to the controversy; or any other misbehavior by which the rights of any party have been prejudiced; and (iv) where the Neutral(s), the CRP Administrator or the Special Master exceeded their powers as set forth in the Settlement Agreement or so imperfectly executed those powers that a mutual, final and definite award upon the subject matter submitted was not made. A party seeking review of a Third-Stage Hearing award in accordance with this Paragraph shall petition the District Court for review within 90 days after the CRP Administrator receives a copy of the award from the Neutral(s), provided, however, that if the Firm files an application to modify the award in accordance with Paragraph 7.11(8)(b), the 90-day period for seeking judicial review will not begin to run until after the CRP Administrator receives a copy of the decision of the Neutral(s) concerning the Firm's application to modify the award. If one party timely petitions the District Court for review, any other party to the Third-Stage Hearing may also seek review of the Third-Stage Hearing award(s) in accordance with this Paragraph within 30 days after it receives notice of the petition seeking review of the Third-Stage Hearing award.

7.11(10)(b) Subject to the provisions of Paragraph 7.13(2), a Third-Stage Hearing award shall be final on the later of: (i) if judicial review of the award is not sought by any party to the Third-Stage Hearing, the 91st day after the CRP Administrator received a copy of the award from the Neutral(s), provided, however, that if the Firm files an application to modify the award in accordance with Paragraph 7.11(8)(b), the award shall be final on the 91st day after the CRP Administrator received a copy of the decision of the Neutral(s) concerning the Firm's application to modify the award; or (ii) if review is sought of said award pursuant to Paragraph 7.11(10)(a), the fifth business day after the order confirming or

denying a request to vacate the award has become final (i.e., not subject to further appellate review).

7.11(10)(c) In the event, and to the extent, a Third-Stage Hearing award is vacated by the District Court pursuant to the provisions of Paragraph 7.11(10)(a), the Claimant(s) may resubmit for adjudication the Third-Stage Hearing-Eligible Claim(s) at issue by serving on the CRP Administrator and Respondents a request to have the Third-Stage Hearing-Eligible Claims at issue heard by new Neutral(s). Any such resubmission must be post-marked on or before the 21st day after the order vacating the award has become final (i.e., not subject to further appellate review) in accordance with the provisions of Paragraph 7.11(10)(b). If Claimant(s) fail to request a new hearing of the Third-Stage Hearing-Eligible Claims at issue within such time, such Third-Stage Hearing-Eligible Claims shall be, and shall be deemed to be, fully, finally and irrevocably waived, discharged and released and may not be brought, raised or maintained against any person or entity in any arbitral, judicial or other forum of whatsoever kind or nature.

7.11(11) **Attorneys' Fees And Costs.**

Neutral(s) shall award prevailing parties reasonable attorneys' fees and costs in accordance with applicable law. In determining the reasonableness of any attorneys' fees being sought, the Neutral(s) may consider the extent to which the proceedings were needlessly prolonged by the prevailing party and may reduce a fee award accordingly.

7.12 **Administrative Costs.** The Firm shall pay all administrative costs of the CRP under the Settlement Stipulation, including the fees and expenses of the CRP Administrator