

**Award
NASD**

In the Matter of the Arbitration Between:**Names of the Claimants**

Ivette Homsí
Maria Alicia Homsí
Caroll Khabbaz Homsí

Case Number: 01-02785**Names of the Respondents**

Merrill Lynch, Pierce, Fenner & Smith, Inc.
Olga Gonzalez-Brimsoe

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For Ivette Homsí ("Ivette"), Maria Alicia Homsí ("Maria Alicia") and Caroll Khabbaz Homsí ("Carroll Khabbaz"), hereinafter referred to as "Claimants": Peter J. Aldrich, Esq., Palm Beach Gardens, Florida.

For Merrill Lynch, Pierce, Fenner & Smith, Inc. ("MLPFS") and Olga Gonzalez-Brimsoe ("Brimsoe"), hereinafter referred to as "Respondents": Alexander T. Sarafoglu, Esq., Morgan, Lewis & Bockius LLP, Miami, Florida.

CASE INFORMATION

Statement of Claim filed on or about: May 25, 2001.

Claimant Ivette Homsí signed the Uniform Submission Agreement: May 8, 2001.

Claimant Ivette Homsí signed the Uniform Submission Agreement as Attorney-in-Fact for Maria Alicia Homsí: May 8, 2001.

Claimant Caroll Khabbaz Homsí signed the Uniform Submission Agreement: May 8, 2001.

Statement of Answer filed by Respondents on or about: September 12, 2001.

Respondent MLPFS signed the Uniform Submission Agreement: August 22, 2001.

Respondent Brimsoe did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: 1) unsuitability; 2) omission and misrepresentation; 3) fraud; 4) breach of fiduciary duty; 5) negligence; and 6) violation of Florida Statutes Sections 517.211 and 517.301. The causes of action relate to the purchase of the following securities in Claimants' account: Mechala Jamaica, Ltd. bonds, Ecuador FDI Trust securities, and Altos Hornos de Mexico (AHMSA) notes.

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

RELIEF REQUESTED

Claimant requested compensatory damages of \$500,000.00 to \$1,000,000.00, plus interest,

NASD Dispute Resolution
Arbitration No. 01-02785
Award Page 2

punitive damages, attorney's fees, the costs of this proceeding and such other relief as is deemed just and proper.

Respondents requested that all claims against them be dismissed and such other and further relief as is deemed just and proper. Further, in their Answer, Respondents sought to put Claimants on notice of their intention to seek attorney's fees pursuant to Section 517.211(6), Florida Statutes, from a court of competent jurisdiction.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Brimsoe did not file with NASD, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the undersigned arbitrators (the "Panel") on all issues submitted.

At the commencement of the evidentiary hearing, the parties advised the Panel that they had stipulated that the case would proceed with only Ivette Homsí as a Claimant. The Panel was advised that Maria Alicia Homsí had passed away and that Carroll Khabbaz Homsí was being removed as a claimant.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents MLPFS and Brimsoe are liable, jointly and severally, and shall pay to Claimant Ivette Homsí the sum of \$50,000.00 as compensatory damages, plus simple interest at the rate of 5% per annum from September 26, 2002 until the Award is paid in full. Damages are awarded as a result of Respondents' misrepresentations and omissions regarding the purchase of the Mechala Jamaica Ltd. bonds, the Ecuador PDI Trust securities, and the Altos Hornos de Mexico (AHMSA) notes. Damages are also awarded based upon Respondents' violations of Florida Statutes Section 517.311.
2. Respondents MLPFS and Brimsoe are liable, jointly and severally, and shall pay to Claimant Ivette Homsí translator fees in a sum not to exceed \$1,200.00. The expenditures for the translator fees shall be documented by Claimant to Respondents.
3. Respondents MLPFS and Brimsoe are liable, jointly and severally, and shall pay to Claimant Ivette Homsí attorney's fees in such amount as is determined by a court of competent jurisdiction. Attorney's fees are awarded pursuant to Florida Statutes Sections 517.311 and 517.211(6).
4. Respondents are liable, jointly and severally, and shall pay to Claimant Ivette

NASD Dispute Resolution
 Arbitration No. 01-02785
 Award Page 3

Homs the sum of \$375.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD.

5. Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, are 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	= \$375.00
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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, Merrill Lynch, Pierce, Fenner & Smith, Inc. is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

Adjournment Fees

No adjournments were granted during these proceedings for which fees were assessed.

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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conferences: May 23, 2002	1 session
June 24, 2002	1 session
One (1) Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: February 19, 2002	1 session

NASD Dispute Resolution

Arbitration No. 01-02785

Award Page 4

Six (6) Hearing sessions @ \$1,200.00 = \$7,200.00

Hearing Dates: September 24, 2002 2 sessions

September 25, 2002 2 sessions

September 26, 2002 2 sessions

Total Forum Fees = \$9,300.00

1. The Panel has assessed \$4,650.00 of the forum fees to Claimant Ivette Homsi.
2. The Panel has assessed \$4,650.00 of the forum fees jointly and severally to Respondents.

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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative fees were incurred during this proceeding.

Fee Summary

1. Claimant Ivette Homsi is solely liable for:

<u>Forum Fees</u>	= \$4,650.00
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Total Fees	= \$4,650.00
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<u>Less payments</u>	= \$1,200.00
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Balance Due NASD	= \$3,450.00
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2. Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 375.00
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Total Fees	= \$ 375.00
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<u>Less payments</u>	= \$ 375.00
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Balance Due NASD	= \$ 0.00
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3. Respondent MLPFS is solely liable for:

<u>Member Fees</u>	= \$6,100.00
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Total Fees	= \$6,100.00
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<u>Less payments</u>	= \$6,100.00
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Balance Due NASD	= \$ 0.00
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4. Respondents MLPFS and Brimsoe are jointly and severally liable for:

<u>Forum Fees</u>	= \$4,650.00
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Total Fees	= \$4,650.00
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<u>Less payments</u>	= \$ 0.00
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Balance Due NASD	= \$4,650.00
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All balances are payable to NASD and are due upon receipt pursuant to Rule 10330(g) of the Code.

NASD Dispute Resolution
Arbitration No. 01-02785
Award Page 5

ARBITRATION PANEL

<i>Todd M. Saunders, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Robert A. Sauerberg</i>	-	<i>Public Arbitrator</i>
<i>Roark Young</i>	-	<i>Non-Public Arbitrator</i>

Arbitrator's Signature

/s/
Todd M. Saunders, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Concurring in Part, Dissenting in Part Arbitrators' Signature

/s/

Robert A. Sauerberg
Public Arbitrator

This arbitrator respectfully dissents from the amount of damages awarded by a majority of the Panel to Claimants. This arbitrator further respectfully dissents from the division of the forum fees as assessed by a majority of the Panel herein.

Signature Date

/s/
Roark Young
Non-Public Arbitrator
This arbitrator respectfully dissents from the finding of liability for omission and misrepresentation on the AHMSA bonds and on liability pursuant to Florida Statutes Chapter 517 as determined by a majority of the Panel. This arbitrator also respectfully dissents from the decision to award attorney's fees to Claimants as determined by a majority of the Panel herein.

Signature Date

November 6, 2002

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 01-02785
Award Page 5

ARBITRATION PANEL

<i>Todd M. Saunders, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Robert A. Sauerberg</i>	-	<i>Public Arbitrator</i>
<i>Ronark Young</i>	-	<i>Non-Public Arbitrator</i>

Arbitrator's Signature



Todd M. Saunders, Esq.
Public Arbitrator, Presiding Chairperson

11/6/02
Signature Date

Concurring in Part, Dissenting in Part Arbitrators' Signature

Robert A. Sauerberg
Public Arbitrator

Signature Date

This arbitrator respectfully dissents from the amount of damages awarded by a majority of the Panel to Claimants. This arbitrator further respectfully dissents from the division of the forum fees as assessed by a majority of the Panel herein.

Ronark Young
Non-Public Arbitrator

Signature Date

This arbitrator respectfully dissents from the finding of liability for omission and misrepresentation on the AHMSA bonds and on liability pursuant to Florida Statutes Chapter 517 as determined by a majority of the Panel. This arbitrator also respectfully dissents from the decision to award attorney's fees to Claimants as determined by a majority of the Panel herein.

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 01-02783
Award Page 3

ARBITRATION PANEL

<i>Todd M. Saunders, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Robert A. Sauerberg</i>	-	<i>Public Arbitrator</i>
<i>Roark Young</i>	-	<i>Non-Public Arbitrator</i>

Arbitrator's Signature

Todd M. Saunders, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Concurring in Part, Dissenting in Part Arbitrators' Signature



Robert A. Sauerberg
Public Arbitrator

11-6-02
Signature Date

This arbitrator respectfully dissents
from the amount of damages awarded by a
majority of the Panel to Claimants. This
arbitrator further respectfully dissents
from the division of the forum fees as
assessed by a majority of the Panel herein.

Roark Young
Non-Public Arbitrator

Signature Date

This arbitrator respectfully dissents
from the finding of liability for omission
and misrepresentation on the AHMSA bonds
and on liability pursuant to Florida Statutes
Chapter 317 as determined by a majority of the
Panel. This arbitrator also respectfully
dissents from the decision to award attorney's
fees to Claimants as determined by a majority
of the Panel herein.

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 01-02785
Award Page 5

ARBITRATION PANEL

<i>Todd M. Saunders, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Robert A. Sauerberg</i>	-	<i>Public Arbitrator</i>
<i>Roark Young</i>	-	<i>Non-Public Arbitrator</i>

Arbitrator's Signature

Todd M. Saunders, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Concurring in Part, Dissenting in Part Arbitrators' Signature

Robert A. Sauerberg
Public Arbitrator

Signature Date

This arbitrator respectfully dissents from the amount of damages awarded by a majority of the Panel to Claimants. This arbitrator further respectfully dissents from the division of the forum fees as assessed by a majority of the Panel herein.

Roark Young
Roark Young
Non-Public Arbitrator

12/6/02
Signature Date

This arbitrator respectfully dissents from the finding of liability for omission and misrepresentation on the AHMSA bonds and on liability pursuant to Florida Statutes Chapter 517 as determined by a majority of the Panel. This arbitrator also respectfully dissents from the decision to award attorney's fees to Claimants as determined by a majority of the Panel herein.

Date of Service (For NASD office use only)