

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Corporacion Financiera Del Valle S.A. (Claimant) vs. Merrill Lynch, Pierce, Fenner & Smith, Inc. (Respondent)

Case Number: 04-07679

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Member

REPRESENTATION OF PARTIES

Claimant Corporacion Financiera Del Valle ("Claimant"): Robert Lack, Esq., Friedman Kaplan Seiler & Adelman, New York, NY.

Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Respondent"): Oliver J. Armas, Esq., Thatcher Proffitt & Wood LL, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: November 4, 2004.

Claimant signed the Uniform Submission Agreement: November 3, 2004.

Statement of Answer filed by Respondent on or about: March 16, 2005.

Respondent signed the Uniform Submission Agreement: March 16, 2005.

CASE SUMMARY

Claimant asserted the following cause of action: breach of contract. The cause of action relates to the investment in a note.

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

RELIEF REQUESTED

Claimant requested unspecified compensatory damages, attorneys' fees, interest, costs, and other damages.

Respondent requested dismissal of the Statement of Claim in its entirety, costs, and fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be executed.

AWARD

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

1. Respondent is liable for and shall pay to the Claimant \$1,126,168.00 in compensatory damages plus interest at 9% per annum accruing from January 25, 1999 to July 24, 2006. Claimant shall retain the \$750,000.00 in partial payments already made by GAN to the Claimant.
2. Respondent is liable for and shall pay to the Claimant \$34,243.00 in attorney's fees pursuant to the Code of Arbitration Procedure. Attorney's fees are awarded for the Mexican attorney who researched and represented the Claimant in the Mexico actions.
3. Claimant is ordered to assign all of its rights to the notes to the Respondent upon payment of the award by the Respondent.
4. Any and all relief not specifically addressed herein 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	= \$ 250.00
--------------------------	-------------

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	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

January 25, 26, 27, 2006, adjournment by the parties	=	Waived
March 8, 10, 17, 2006, adjournment by Claimant	=	Waived

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 the Chairperson @ \$450.00 per session = \$ 900.00
Pre-hearing conferences: June 28, 2005 1 session
September 9, 2005 1 session

One (1) Pre-hearing session with Panel @ \$1,000.00 per session = \$ 1,000.00
Pre-hearing conference: June 1, 2005 1 session

Ten (10) Hearing sessions with Panel @ \$1,000.00 per session = \$10,000.00
Hearing sessions: June 16, 2006 2 sessions
June 19, 2006 2 sessions
June 21, 2006 3 sessions
June 29, 2006 3 sessions

Total Forum Fees = \$11,900.00

1. The Panel has assessed \$11,900.00 of the forum fees against the Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 250.00
Total Fees	= \$ 250.00
Less payments	= \$ 1,250.00
Refund Due the Claimant	= \$ 1,000.00

2. Respondent is solely liable for:

Member Fees	= \$ 4,450.00
Forum Fees	= \$11,900.00
Total Fees	= \$16,350.00
Less payments	= \$ 4,450.00
Balance Due NASD Dispute Resolution	= \$11,900.00

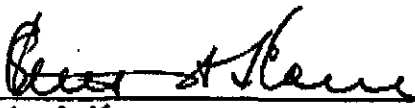
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Peter A. Korn	-	Public Arbitrator, Presiding Chairperson
Arnold Limsky	-	Public Arbitrator
Jeffrey Steinberg	-	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.



Peter A. Korn
Public Arbitrator, Presiding Chairperson

7-24-06
Signature Date

Arnold Limsky
Public Arbitrator

Signature Date

Jeffrey Steinberg
Non-Public Arbitrator

Signature Date

July 24, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Peter A. Korn	-	Public Arbitrator, Presiding Chairperson
Arnold Linsky	-	Public Arbitrator
Jeffrey Steinberg	-	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.

Peter A. Korn
Public Arbitrator, Presiding Chairperson

Signature Date



Arnold Linsky
Public Arbitrator

7/24/06

Signature Date

Jeffrey Steinberg
Non-Public Arbitrator

Signature Date

July 24, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Peter A. Korn	-	Public Arbitrator, Presiding Chairperson
Arnold Limsky	-	Public Arbitrator
Jeffrey Steinberg	-	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.

Peter A. Korn
Public Arbitrator, Presiding Chairperson

Signature Date

Arnold Limsky
Public Arbitrator

Signature Date



Jeffrey Steinberg
Non-Public Arbitrator

7-24-2006

Signature Date

July 24, 2006

Date of Service (For NASD Dispute Resolution use only)