

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Luis Eduardo Cordero
Luis Eduardo Cordero Case De Bolsa

Case Number: 05-00372

Names of the Respondents

Merrill Lynch Pierce Fenner & Smith Inc.
Merrill Lynch International Limited

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member and Non-Member

REPRESENTATION OF PARTIES

For Luis Eduardo Cordero and Luis Eduardo Cordero Case De Bolsa, hereinafter collectively referred to as "Claimants": William M. Tuttle, II, Esq., William M. Tuttle, II, P.A., Miami, Florida. On or about June 7, 2006, Ronald M. Greenspan, Esq., Law Offices of Ronald M. Greenspan, Miami, Florida, appeared as co-counsel to Claimants. On or about June 21, 2006, Ronald M. Greenspan, Esq. and William M. Tuttle, II, Esq. withdrew as counsel to Claimants. Thereafter, Claimants did not appear.

For Merrill Lynch Pierce Fenner & Smith Inc. ("MLPFS") and Merrill Lynch International Limited ("MLIL"), hereinafter collectively referred to as "Respondents": Patricia M. Christiansen, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: January 25, 2005.

Claimants signed the Uniform Submission Agreement: January 24, 2005.

Statement of Answer and Motion to Dismiss filed by Respondents on or about: May 5, 2005.

Respondent MLPFS signed the Uniform Submission Agreement: April 5, 2005.

Respondent MLIL did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: 1) violation of rules and regulations of the Securities and Futures Authority Limited; 2) unsuitability; 3) breach of fiduciary duties; 4) failure to properly hire, train and supervise; 5) fraudulent, intentional or otherwise negligent conduct; 6) breach of agreements, contracts and understandings; and 7) conversion, theft and misappropriation. The causes of action relate to the alleged authorized transfer of \$5,000,000.00 in money or assets from one or more of Claimants' brokerage accounts.

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: 1) compensatory damages in the amount of \$5,000,000.00 representing principal amount of the loss and damage to Claimants, and the amount of money or assets wrongfully transferred, mismanaged, lost, missing, stolen, or misappropriated; 2) loss of interest, income and appreciation on the principal amount of the loss and damage of \$5,000,000.00, since the loss or damage was incurred; 3) costs, expenses and disbursements, including reasonable expert witness fees; 4) punitive damages; and 5) such other and further relief as the Panel deems just and proper.

Respondents requested: 1) dismissal of Claimants' claims; and 2) costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent MLIL is not a member of NASD and did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement. Respondent MLIL voluntarily submitted to arbitration by filing a Statement of Answer and Motion to Dismiss in the above-referenced arbitration proceeding and is therefore bound by the determination of the Panel on all issues submitted.

On or about April 28, 2006, Respondents filed their Motion to Compel, for Sanctions and to Dismiss Without Prejudice. On or about May 12, 2006, Claimants filed their Unopposed Motions for Extension of Time to Respond to Respondents' Pending Motion and to Withdraw as Counsel. On or about June 21, 2006, the Panel held a telephonic pre-hearing conference and: 1) granted Claimants' withdrawal of their legal counsel and granted Claimants 30 days to obtain new counsel and respond; 2) determined that Claimants' claims will be dismissed, with prejudice, if the October 2006 hearing dates are not maintained; and 3) deferred Respondents' Motion to Compel, for Sanctions and to Dismiss Without Prejudice.

On or about August 16, 2006, Respondents filed their request for hearing on Respondents' Motion to Compel, for Sanctions and to Dismiss Without Prejudice.

On or about September 19, 2006, Respondents filed their Motion to Adjourn Evidentiary Hearing, as an alternative to Respondents' Motion to Compel, for Sanctions and to Dismiss Without Prejudice, if denied by the Panel.

On or about September 28, 2006, the Panel conducted a telephonic pre-hearing conference on Respondents' Motion to Dismiss. Claimants did not appear at the pre-hearing conference. Respondents requested to proceed with the pre-hearing conference. The Panel conducted the pre-hearing conference and thereafter ordered the dismissal, without prejudice, of Claimants' claims.

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

AWARD

After considering the pleadings and the arguments presented at the pre-hearing conference held on September 28, 2006, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are dismissed, without prejudice.
2. Any and all claims for relief, including Claimants' claim for punitive damages, not specifically addressed herein are dismissed, without prejudice.

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 | = \$ 600.00 |
|--------------------------|-------------|

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent MLPFS is a member firm and a party.

| | |
|-------------------------|--------------|
| Member surcharge | = \$2,800.00 |
| Pre-hearing process fee | = \$ 750.00 |
| Hearing process fee | = \$5,000.00 |

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

| | |
|---|--------------|
| January 11 – 13, 2006, adjournment requested by Claimants | = \$1,200.00 |
|---|--------------|

The Panel assessed the adjournment fee in the amount of \$1,200.00 jointly and severally to Claimants.

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:

There were no three-day cancellation fees assessed during these proceedings.

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.

There were no injunctive relief fees assessed during these proceedings.

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

| | |
|--|--------------|
| Three (3) Pre-hearing sessions with Panel @ \$1,200.00/session | = \$3,600.00 |
| Pre-hearing conferences: June 28, 2005 | 1 session |
| June 21, 2006 | 1 session |
| September 28, 2006 | 1 session |

| | |
|------------------|--------------|
| Total Forum Fees | = \$3,600.00 |
|------------------|--------------|

The Panel has assessed \$3,600.00 of the forum fees 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.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

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|-------------------------------------|--------------|
| Initial Filing Fee | = \$ 600.00 |
| Adjournment Fee | = \$1,200.00 |
| Forum Fees | = \$3,600.00 |
| Total Fees | = \$5,400.00 |
| Less payments | = \$1,800.00 |
| Balance Due NASD Dispute Resolution | = \$3,600.00 |

Respondent MLPFS is solely liable for:

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|-------------------------------------|--------------|
| Member Fees | = \$8,550.00 |
| Total Fees | = \$8,550.00 |
| Less payments | = \$8,550.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

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

ARBITRATION PANEL

| | | |
|-------------------|---|--|
| Stanley Seidman | - | Public Arbitrator, Presiding Chairperson |
| Robert J. Ireland | - | Public Arbitrator |
| Paul A. Holmes | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures

_____/s/
Stanley Seidman
Public Arbitrator, Presiding Chairperson

October 13, 2006
Signature Date

_____/s/
Robert J. Ireland
Public Arbitrator

October 4, 2006
Signature Date

_____/s/
Paul A. Holmes
Non-Public Arbitrator

September 29, 2006
Signature Date

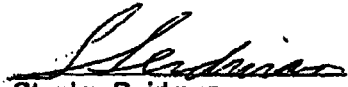
October 13, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

| | | |
|-------------------|---|--|
| Stanley Seidman | - | Public Arbitrator, Presiding Chairperson |
| Robert J. Ireland | - | Public Arbitrator |
| Paul A. Holmes | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures


Stanley Seidman
Public Arbitrator, Presiding Chairperson

10-13-06
Signature Date

Robert J. Ireland
Public Arbitrator

Signature Date

Paul A. Holmes
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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|-------------------|---|--|
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| Robert J. Ireland | - | Public Arbitrator |
| Paul A. Holmes | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures

Stanley Seidman
Public Arbitrator, Presiding Chairperson

Signature Date


Robert J. Ireland
Robert J. Ireland
Public Arbitrator

OCT. 4, 2006
Signature Date

Paul A. Holmes
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)



ARBITRATION PANEL

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| Robert J. Ireland | - | Public Arbitrator |
| Paul A. Holmes | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures

Stanley Seidman
Public Arbitrator, Presiding Chairperson

Signature Date

Robert J. Ireland
Public Arbitrator

Signature Date



Paul A. Holmes
Non-Public Arbitrator

9/29/06
Signature Date

Date of Service (For NASD Dispute Resolution use only)