

**NATIONAL ASSOCIATION OF SECURITIES DEALERS  
AWARD**

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In the matter of the Arbitration Between

Mingya Hsu and John Astalis,

Claimants,

v.

NASD No. 94-02151

Merrill Lynch Pierce Fenner & Smith and  
Bruce Young,

Respondents.

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***Representation***

For Claimant: Michael Huberman, Esq. of Greenbaum & Ferentz, Newport Beach, California

For Respondents: Daniel Finnerty, Esq. of Keesal, Young & Logan, Long Beach, California

***Case Information***

Statement of Claim filed: June 2, 1994

Claimant's Submission Agreement signed: May 25, 1994

Statement of Answer filed on: September 28, 1994

Respondents' Submission Agreement signed on:

Merrill - September 28, 1994

Bruce Young (Young) - September 20, 1994

***Hearing Information***

Prehearing Conference Date(s)/Sessions: None

Hearing Date/Sessions: April 21, 1995/two, June 1, 1995/two

Hearing Location: Los Angeles, California

### ***Case Summary***

Claimant alleged fraud, breach of fiduciary duty and failure to supervise in the purchase of a Bundesbank Bond (Bond). Respondent Young represented the Bond's yield to maturity to be about 10% and current yield at just over 7.5%, that it paid interest semi-annually and that he would have a hedging technique within two to three days of the purchase. Claimants also alleged that Young failed to provide a hedging technique, the Bond only paid annual interest and the yield was 5 percent, not the 7.5% represented.

Respondents denied all allegations of wrongdoing and alleged Claimants were sophisticated investors who called Merrill to inquire about purchasing foreign fixed income securities and were referred to Young. Young advised Claimant John Astalis (Astalis) that the Bond paid interest in deutschmarks which exposed a holder to currency risk. Respondents also alleged the sole trade in issue was done on an unsolicited basis, the purchase of which Astalis asked be rescinded six months later. Astalis admitted to the Merrill manager that the trade was unsolicited.

### ***Relief Requested***

Claimant requested:

1. Damages for losses in excess of \$24,000;
2. Prejudgment and postjudgment interest at the highest legal rate;
3. Costs;
4. Attorney's fees.

Respondents requested that the claim be dismissed in its entirety.

### ***Other Issues Considered and Decided***

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. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

### ***Award***

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Each and every claim against Respondents Merrill and Young are dismissed;

2. The parties shall each bear their respective attorney's fees;
3. The parties shall each bear their respective costs.

***Other Costs***

None.

***Forum Fees***

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc., shall retain the \$400 hearing session deposit previously paid by the claimant. Forum fees are assessed against Claimant for \$800, of which \$400 has been paid, and Respondents, jointly and severally, for \$800, calculated as follows:

Total forum fees assessed (four sessions at \$400/session )	\$ 1,600
Claimant's assessment	800
Claimant's balance due	400
Respondents' assessment	800

No adjournment fees were assessed.

Fees are payable to the National Association of Securities Dealers, Inc.

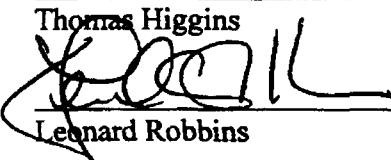
***Arbitration Panel***

<b><i>Name</i></b>	<b><i>Public/Industry</i></b>
Herbert Murez	Public
Thomas Higgins	Public
Leonard Robbins	Industry

***Concurring Arbitrators' Signatures***

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Herbert Murez

\_\_\_\_\_  
Thomas Higgins

  
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Leonard Robbins

***Date of Decision:***