

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants

Luis Ortiz Espinosa, Maritza Soto Garcia and the conjugal partnership constituted by them; and Luis Ortiz Espinosa as trustee of Luis Ortiz Espinosa Pension Plan

Case Number: 10-01444

vs.

Respondents

BBVA Securities of Puerto Rico, Inc. and Rafael Rodriguez-Abella

Hearing Site: San Juan, Puerto Rico

Nature of the Dispute: Customers vs. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimants Luis Ortiz Espinosa, Maritza Soto Garcia and the conjugal partnership constituted by them; and Luis Ortiz Espinosa as trustee of Luis Ortiz Espinosa Pension Plan: Harold D. Vicente, Esq. and Harold D. Vicente-Colon, Esq., Vicente & Cuebas Law Offices, San Juan, Puerto Rico.

For Respondents BBVA Securities of Puerto Rico, Inc. and Rafael Rodriguez-Abella: Debra A. Jenks, Esq. and Robert J. Harvey, Esq., Schwed McGinley & Kahle, LLC, Palm Beach Gardens, Florida.

CASE INFORMATION

Statement of Claim filed on or about: March 25, 2010.

Luis Ortiz Espinosa signed the Submission Agreement: March 22, 2010.

Maritza Soto Garcia signed the Submission Agreement: March 22, 2010.

Luis Ortiz Espinosa as trustee of Luis Ortiz Espinosa Pension Plan signed the Submission Agreement: March 22, 2010.

Statement of Answer filed by Respondents on or about: June 15, 2010.

BBVA Securities of Puerto Rico, Inc. signed the Submission Agreement: May 14, 2010.

Rafael Rodriguez-Abella signed the Submission Agreement: July 12, 2010.

CASE SUMMARY

Claimants asserted the following causes of action: 1) violation of, *inter alia*, Section 10(b) of the Securities Exchange Commission, Rules of the NYSE and of FINRA, and the securities laws of Puerto Rico; 2) securities fraud; 3) churning; 4) unauthorized transactions; 5) unsuitability; 6) violation of Article 1802 of the Civil Code of Puerto Rico 31 Laws of Puerto Rico Annotated §5141; 7) failure to supervise; 8) violation of the duties of good faith and fair dealing; 9) breach of contract; and, 10) violations of ERISA. The causes of action relate to Claimants' investments in, among others, various unspecified municipal securities, corporate bonds, equities and reverse convertible securities.

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

RELIEF REQUESTED

In the Statement of Claim, Claimants requested: 1) compensatory damages in the approximate amount of at least \$2,102,976.00 for losses incurred in Claimants' joint account; 2) compensatory damages in the amount of at least \$480,973.00 for losses incurred in Claimants' pension plans; 3) interest; 4) punitive damages in the amount of \$3,000,000.00; 5) attorneys' fees; 6) disgorgement; and, 7) costs, expenses and filing and consulting fees.

In their Statement of Answer, Respondents requested denial of Claimants' claims for relief.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

At the hearing, Respondents moved to dismiss claims filed on behalf of Claimant Centro Dermatologico San Pablo PSC Retirement Plan. Thereafter, Claimants motioned the Panel to remove Claimant Centro Dermatologico San Pablo PSC Retirement Plan as a party and substitute Luis Ortiz Espinosa as trustee for Luis Ortiz Espinosa Pension Plan in its place. Respondents' and Claimants' motions were granted, without objection, effecting the substitution of party as set forth above. All four accounts in question that were the subject of Claimants' claims were preserved.

At the time of arbitrator selection and appointment, Arbitrator Berman was properly classified as a Non-Public Arbitrator. Thereafter, on February 14, 2011, FINRA Dispute Resolution notified the parties of his change in classification to Public Arbitrator.

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, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel finds for Respondents and Claimants' claims are denied in their entirety.

Any and all relief not specifically addressed herein, including Claimants' request for attorneys' fees and punitive damages, is denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing fee = \$ 1,800.00

**The filing fee is made up of a non-refundable and a refundable portion.*

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, as a party, Respondent BBVA Securities of Puerto Rico, Inc. is assessed the following:

Member Surcharge = \$ 3,350.00
Pre-Hearing Processing Fee = \$ 750.00
Hearing Processing Fee = \$ 5,500.00

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. 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:

Two (2) Pre-hearing sessions with the Panel @ \$1,200.00/session = \$2,400.00
Pre-hearing conferences: October 27, 2010 1 session
November 29, 2010 1 session

Seventeen (17) Hearing sessions @ \$1,200.00/session = \$20,400.00
Hearing Dates: August 30, 2011 2 sessions
August 31, 2011 2 sessions
September 1, 2011 2 sessions
September 2, 2011 3 sessions
January 31, 2012 3 sessions
February 1, 2012 3 sessions
February 2, 2012 2 sessions

Total Hearing Session Fees **=\$22,800.00**

The Panel determined to waive the total \$1,200.00 hearing session fee for the October 27, 2010 hearing session.

The Panel has assessed the remaining total hearing session fees of \$21,600.00 to Claimants, jointly and severally.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Mark C. Perry - Public Arbitrator, Presiding Chairperson
Thomas Czinner - Public Arbitrator
Neil J. Berman - Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures

/s/

Mark C. Perry
Public Arbitrator, Presiding Chairperson

March 30, 2012

Signature Date

/s/

Thomas Czinner
Public Arbitrator

March 29, 2012

Signature Date

/s/

Neil J. Berman
Public Arbitrator

March 30, 2012

Signature Date

April 2, 2012

Date of Service (For FINRA Dispute Resolution office use only)

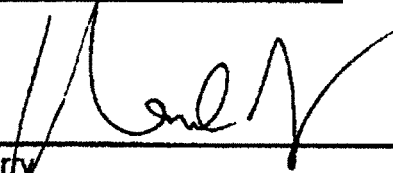
FINRA Dispute Resolution
Arbitration No. 10-01444
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ARBITRATION PANEL

Mark C. Perry	-	Public Arbitrator, Presiding Chairperson
Thomas Czinner	-	Public Arbitrator
Neil J. Berman	-	Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures



 Mark C. Perry
 Public Arbitrator, Presiding Chairperson

MARCH 30, 2012

 Signature Date

 Thomas Czinner
 Public Arbitrator

 Signature Date

 Neil J. Berman
 Public Arbitrator

 Signature Date

 Date of Service (For FINRA Dispute Resolution office use only)

ARBITRATION PANEL

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Thomas Czinner	-	Public Arbitrator
Neil J. Berman	-	Public Arbitrator

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Concurring Arbitrators' Signatures

Mark C. Perry
Public Arbitrator, Presiding Chairperson

Signature Date



Thomas Czinner
Public Arbitrator

3-29-2012

Signature Date

Neil J. Berman
Public Arbitrator

Signature Date

Date of Service (For FINRA Dispute Resolution office use only)

FINRA Dispute Resolution
Arbitration No. 10-01444
Award Page 5 of 5

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Thomas Czinner	-	Public Arbitrator
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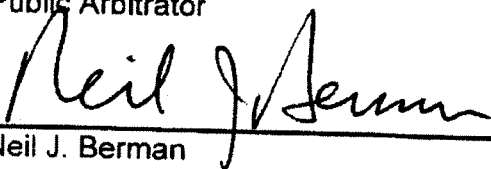
Concurring Arbitrators' Signatures

Mark C. Perry
Public Arbitrator, Presiding Chairperson

Signature Date

Thomas Czinner
Public Arbitrator

Signature Date



Neil J. Berman
Public Arbitrator

3/30/12

Signature Date

Date of Service (For FINRA Dispute Resolution office use only)

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Boca Raton, FL 33486
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Phone: 561-416-0277
Fax: 301-527-4868



Number of Pages including the Cover Sheet: _____

Date: 04/02/2012

Case Number:10-01444

Case Name: Luis Ortiz Espinosa, Maritza Soto Garcia, et al. vs. BBVA Securities of Puerto Rico, Inc. and Rafael Rodriguez-Abella

To: Debra A. Jenks

Phone: 561-694-0070 Fax: 561-694-0057

From: Allison Phillips
Case Administrator

A handwritten signature in black ink, appearing to be "AP" or similar initials, is written over the contact information for Allison Phillips.

Message:

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