

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Gene Schweitzer and Beverly Schweitzer, (Claimants) vs. PaineWebber, Inc., David R. Staff,
and John Antonio, (Respondents)

Case Number: 00-00350

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Gene Schweitzer and Beverly Schweitzer, hereinafter collectively referred to as
"Claimants": Frederick E. Gerson, Esq., D'Alessandro, Jacovino & Gerson, Florham Park, NJ.

Respondents, PaineWebber, Inc. ("PaineWebber") and John Antonio ("Antonio"): Patricia E.
Cowart, Esq., Senior Associate General Counsel and Senior Vice President, UBS
PaineWebber, Inc., Fort Lauderdale, FL.

Respondent, David R. Staff ("Staff"), did not make an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: January 26, 2000.
Claimants signed the Uniform Submission Agreement.

Statement of Answer filed by PaineWebber and Antonio on or about: May 8, 2000.
PaineWebber signed the Uniform Submission Agreement: May 26, 2000.
Antonio signed the Uniform Submission Agreement: June 21, 2000.

Staff did not file a Statement of Answer or sign a Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: churning; unsuitability; violation of NASD rules; improper trading; breach of the duty of fair dealing; improper margin activity; questionable trading; fraud; improper completion of new account statements; respondeat superior; negligence; failure to maintain proper procedure; and failure to monitor broker and account activity. Claimants' claim involved unspecified mutual funds, options, and stocks.

Unless specifically admitted in their Answer, PaineWebber and Antonio denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants fail to state a claim against PaineWebber for which relief can be granted; Claimants are barred from bringing this proceeding on the grounds of laches and statute of limitations; all transactions which are the subject of the complaint were made with Claimants' approval; at all material times, Claimants knew and were aware of the risks associated with the subject investments and voluntarily chose to assume those risks; the risks which Claimants assumed were the direct and proximate cause of any damages they may have sustained; Claimants are estopped from seeking recovery as they made various representations and warranties about their net worth and suitability, upon which PaineWebber reasonably relied; PaineWebber and Antonio assert that at all relevant times they acted in good faith and did not knowingly or intentionally violate any of the laws alleged; Claimants failed to exercise reasonable care and diligence to minimize and mitigate any alleged damages; Claimants did not reasonably rely upon any statements or omissions properly attributed to PaineWebber; assuming that the statements or omissions alleged in the Statement of Claim were made, which is denied, such statements or omissions did not cause any damage to Claimants; Claimants are barred from recovery and/or any recovery must be reduced in accordance with the degree of Claimants' negligence by reason of the doctrine of comparative negligence; any damages suffered by Claimants were caused or contributed to by persons, conditions, or events beyond the control of PaineWebber, and PaineWebber is therefore not liable; any losses sustained by Claimants were the result of their own negligence or market forces; PaineWebber made a good effort as a controlling person to establish adequate supervisory and compliance procedures to prevent bad acts on the part of any of its employees; and Claimants are precluded from recovery since they are not, as a matter of law, allowed to ignore risks which are disclosed in writing.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$2,727,743.00, punitive damages in the amount of \$5,605,641.81, attorneys' fees, and costs.

PaineWebber and Antonio requested an Award in their favor together with recovery of their costs, reasonable attorneys' fees, and such other and further relief as the Panel may deem appropriate under the circumstances.

OTHER ISSUES CONSIDERED AND DECIDED

By letter dated April 24, 2001, counsel for PaineWebber and Antonio advised NASD Dispute Resolution, Inc. that Claimant had settled this matter with the Respondents, and requested that the Stipulated award attached hereto as Exhibit "A" be forwarded to the Panel for review and signature.

Staff did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and is bound by the determination of the Panel on all issues submitted.

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.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. 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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, PaineWebber, Inc. is a party.

Member surcharge = \$3,000.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$5,000.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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:

One (1) Pre-hearing session with Panel x \$1,200.00 = \$1,200.00
Pre-hearing conference: December 8, 2000 1 session

Total Forum Fees = \$1,200.00

1. The Panel has assessed \$600.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$600.00 of the forum fees jointly and severally against PaineWebber and Antonio.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 600.00
Total Fees	= \$1,200.00
Less payments	= \$1,800.00
Refund Due Claimants	= \$ 600.00

2. PaineWebber be and hereby is solely liable for:

Member Fees	= \$8,600.00
Total Fees	= \$8,600.00
Less payments	= \$8,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

3. PaineWebber and Antonio be and hereby are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 600.00

All balances are due and payable to NASD Dispute Resolution, Inc.

NASD Regulation, Inc.
STIPULATED AWARD

25 2000

Office of Dispute Resolution

In the Matter of the Arbitration Between
GENE AND BEVERLY SCHWEITZER,

Claimants,

v.

Case No. 00-00350

PAINWEBBER INCORPORATED,
DAVID R. STAFF AND JOHN ANTONIO

Respondents.

REPRESENTATION OF PARTIES

Claimants Gene and Beverly Schweitzer, ("Schweitzer") were represented by Edward D'Alessandro, Jr., Esq. and Frederick E. Gerson, Esq. of the law firm of D'Alessandro, Jacovino & Gerson, Florham Park, New Jersey.

Respondents PaineWebber Incorporated and John Antonio ("PaineWebber") were represented by Patricia E. Cowart, Esq. ("Cowart"), Fort Lauderdale, Florida. Respondent David Staff was represented by Brian Cook, Esq. Arnstein & Lehr, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim was filed on or about February 24, 2000.

Statement of Answer was filed by Respondents, PaineWebber and Antonio on or about May 8, 2000.

HEARING INFORMATION

A mediation was held on April 11, 2000, with a mediator presiding, in Fort Lauderdale, Florida.

CASE SUMMARY

Claimants asserted the following causes of action suitability excessive trading activity, fraudulent activities, recommendations of purchases beyond customer's capability, and failure to supervise.

Respondents PaineWebber, Staff and Antonio denied all allegations of wrongdoing.

RELIEF REQUESTED

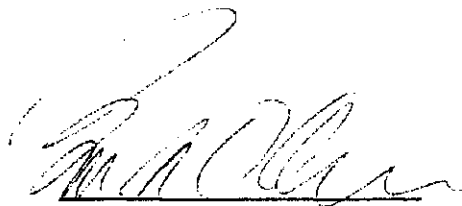
In the Statement of Claim, Claimant requested an award for damages in the amount of \$2,727,743.00 plus costs and fees.

AWARD

The parties to this arbitration have resolved their claims at a mediation which took place on April 11, 2001 and entered an agreement to present to the panel a Stipulated Dismissal of Claims against John Antonio and a joint motion for expungement of Mr. Antonio's record. Now, in lieu of hearing and upon motion of both parties for entry of an award, and upon the written stipulation thereto, the panel hereby grants the motion and enters this award granting the following relief:

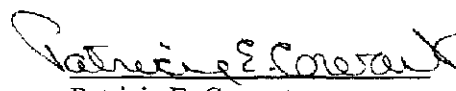
1. The Claims against John Antonio shall be dismissed with Prejudice.
2. The panel recommends the expungement of all references to the above captioned arbitration from Respondent John Antonio's registration records maintained by the NASD Central registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent John Antonio must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.
3. Any and all relief specifically addressed below is denied.
4. The NASD is directed to close this file and remit to the parties any refundable forum fees or hearing session deposits to the extent allowable by the rules.

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Edward D'Alessandro, Jr., Esq.




Frederick E. Gerson, Esq.


Patricia E. Cowart

Date of Stipulated Award _____

ARBITRATION PANEL

Richard E. Lerner, Esq.	-	Public Arbitrator, Presiding Chair
Eugene S. Ginsberg, Esq.	-	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.

Richard E. Lerner, Esq.
Public Arbitrator, Presiding Chair

Eugene S. Ginsberg, Esq.
Public Arbitrator

Signature Date

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
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ARBITRATION PANEL

Richard E. Lerner, Esq. - Public Arbitrator, Presiding Chair
Eugene S. Ginsberg, Esq. - 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.

Richard E. Lerner

Richard E. Lerner, Esq.
Public Arbitrator, Presiding Chair

06/20/01
Signature Date

Eugene S. Ginsberg, Esq.
Public Arbitrator

Signature Date

July 27, 2001
Date of Service (For NASD office use only)