

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

UBS Financial Services, Inc., f/k/a
UBS PaineWebber, Inc.

Case Number: 00-03692

Name of the Respondents

Prudential Securities Incorporated;
Jeffrey A. Ockwood;
Robert E. Holland;
Robert E. Gillespie;
David E. Meadors;
Matthew H. Fuller; and
Scott R. Cameron

Hearing Site: Dallas, Texas

REPRESENTATION OF PARTIES

Claimant UBS Financial Services, Inc., f/k/a UBS PaineWebber, Inc., hereinafter referred to as "Claimant": Jin-Ho Chung, Esq. of the firm of Schuyler, Roche & Zwirner P.C., located in Chicago, Illinois.

Respondents Prudential Securities Incorporated ("Prudential"), Jeffrey A. Ockwood ("Ockwood"), Robert E. Holland ("Holland"), Robert E. Gillespie ("Gillespie"), and Matthew H. Fuller ("Fuller") were represented by: Retta A. Miller, Esq. of the firm of Jackson Walker, L.L.P., located in Dallas, Texas.

Respondent Scott R. Cameron ("Cameron") was represented by Raymond E. McCain, Jr., Esq. of the firm of Raymond E. McCain, Jr., P.C., located in Dallas, Texas.

Respondent David E. Meadors ("Meadors") represented himself, but did not appear at hearing.

CASE INFORMATION

Claimant's Motion for Immediate Injunctive Order filed on: August 24, 2000.

Claimant's Memorandum in Support of its Motion for Immediate Injunctive Order filed on: August 24, 2000.

Claimant signed the Uniform Submission Agreement: August 23, 2000.

Statement of Claim filed on or about: August 24, 2000.

Amended Statement of Claim filed: January 27, 2003.

Response to Claimant's Motion for Immediate Injunctive Relief Order filed: August 26, 2000.

Statement of Answer filed by Respondent Prudential, Ockwood, Holland, Gillespie, Meadors, Fuller and Cameron on or about: September 22, 2000.

Respondent Gillespie signed the Uniform Submission Agreement: September 20, 2000.

Respondent Meadors signed the Uniform Submission Agreement: September 20, 2000.

Respondent Ockwood signed the Uniform Submission Agreement: September 20, 2000.

Respondent Fuller signed the Uniform Submission Agreement: September 20, 2000.

Respondent Cameron signed the Uniform Submission Agreement: September 20, 2000.

Respondent Holland signed the Uniform Submission Agreement: September 20, 2000.

Respondents' Motion to Disqualify Claimant's Counsel filed: September 28, 2000.

Claimant's Response to Respondents' Motion to Disqualify Counsel filed: October 6, 2000.

CASE SUMMARY

Claimant asserted the following causes of action based upon a raiding action against one of its offices:

1. Unfair competition;
2. Tortious interference with business relationships;
3. Breach by the individual respondents of their fiduciary duties to PaineWebber;
4. Inducement by Prudential of the individual respondents' breach of fiduciary duty;
5. Breach by Gillespie and Fuller of the Non-Solicitation and Non-Use of Documents provisions of their PaineWebber Promissory Notes;
6. Inducement by Prudential of Gillespie's and Fuller's Breaches of the Non-Solicitation and Non-Use of Documents provisions of their PaineWebber promissory notes;
7. Misappropriation of PaineWebber's trade secrets;
8. Conversion;
9. Civil conspiracy; and,
10. Unjust enrichment.

In addition, Claimant asserted breach of contract actions against each individual Respondent for violation of the promissory notes they executed as part of their employment.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses:

1. Claimant has no protectable property interests because customers' names and addresses are not trade secrets and claiming that this information is "proprietary" or "confidential" is adverse to the public interest;
2. Respondents are not liable for breach of fiduciary duty, unfair competition or conspiracy. Any duty to PaineWebber ended when their relationship to Paine Webber ended. In addition, the individual Respondents left due to the turmoil and change in ownership, and not with the intent to engage in some illegal act.

Therefore, the Claimant cannot establish the requisite elements of conspiracy;
and,

3. The individual Respondents are not liable for Tortious Interference.

RELIEF REQUESTED

Claimant requested the following relief in response to Counts 1 through 10 of their causes of action. The Claimant requested an immediate injunctive order restraining and enjoining Respondents from:

1. Soliciting or inducing other PaineWebber employees from resigning in order to work at Prudential;
2. Copying or transmitting any account information of any customer whose account was serviced by a PaineWebber employee;
3. Soliciting any business from a PaineWebber customer; and
4. Accepting any account transfers of customers they served at PaineWebber whose names became known to them during their PaineWebber employment

In addition, Claimant requested:

1. An order requiring the Respondents to return to PaineWebber all records in their possession relating to any client of PaineWebber;
2. A permanent injunction against Prudential, enjoining it from any further mass raiding or solicitation of brokers from any PaineWebber office or client service group;
3. Award PaineWebber all costs and expenses incurred by it in connection with this action, including its reasonable attorneys' fees; and,
4. Such further relief as the Panel deemed just and equitable.

In regard to Claimant's claims against the individual Respondents for breach of contract, Claimant requested:

1. Compensatory damages of \$153,472.22 from Respondent Ockwood;
2. Compensatory damages of \$76,666.65 from Respondent Cameron;
3. Compensatory damages of \$136,944.44 from Respondent Holland;
4. Compensatory damages of \$65,000.00 from Respondent Meador;
5. Compensatory damages of \$104,508.89 from Respondent Fuller for two notes he executed as part of his employment; and,
6. Compensatory damages of \$344,731.38 from Respondent Gillespie for two notes he executed as part of his employment.

Furthermore, PaineWebber requested pre-award and post-award interest at the maximum rate authorized by law, all costs and expenses, including attorneys' fees and such other relief as the Panel deemed just.

Respondents requested that:

1. PaineWebber's claim for monetary damages be denied in its entirety;
2. PaineWebber's request for injunctive relief be denied in its entirety; and,
3. The Respondents be awarded all other relief in these proceedings, including their attorneys' fees and costs, to which they may show themselves entitled.

OTHER ISSUES CONSIDERED AND DECIDED

On August 30, 2000, Arbitrator Richard A. Knudson heard argument regarding the Motion for an Immediate Injunctive Order. After considering the submissions, written briefs and arguments of the parties, on August 31, 2000, Arbitrator Knudson ordered that all Respondents were enjoined from:

1. Soliciting, inducing, or attempting to induce any employee of PaineWebber's Plano, Texas office to leave their employment with Claimant to join Prudential, or hiring any additional employees from said PaineWebber office; and
2. Using or disclosing any information contained in the records of PaineWebber for any purpose.

On September 6, 2002, NASD Dispute Resolution was advised that the law firm of Jackson Walker, L.L.P. no longer represented Respondents Cameron or Meadors. The Panel was later notified that Respondent Cameron had retained new counsel.

The Panel denied the Motion to Disqualify Claimant's counsel.

At hearing, Claimant represented to the Panel that the claims filed against Respondents Prudential, Ockwood, Holland, Gillepsie, Meadors and Fuller had been settled. Based upon these representations, Claimant moved to file an Amended Claim which would remove the previously settled claims. The Motion was granted and hearing proceeded against Respondent Cameron.

Upon review of the file, the representations made on behalf of the Claimant and a telephone conference held with Cameron's counsel, the undersigned arbitrators determined that Respondent Cameron was properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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

AWARD

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

1. Respondent Scott R. Cameron is liable for and shall pay to the Claimant, UBS Financial Services, Inc., the sum of \$72,602.46 as compensatory damages;
2. The parties shall bear their own costs of arbitration, including any attorneys' fees, except for those specifically awarded herein; and,
3. 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	= \$ 1,250.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, UBS Financial Services, Inc., f/k/a UBS PaineWebber, Inc. and Prudential Securities Incorporated are parties and the following member fees were assessed against each firm accordingly:

Member surcharge	= \$ 2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 3,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 16-20, 2000 adjournment by Respondent Gillepsie	= \$ 1,200.00
February 26-March 3, 2001 adjournment by all parties	= \$ 1,200.00

The Panel waived postponement fees.

Injunctive Relief Fees

The Claimant, UBS Financial Services, Inc., is assessed:

Injunctive relief surcharge	= \$ 2,500.00
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Forum Fees and Assessments

The Panel has assessed forum 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: August 30, 2000 1 session	
Two (2) Pre-hearing sessions with Panel @ \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: October 10, 2000 1 session	
October 11, 2000 1 session	
One (1) Hearing sessions @ \$1,200.00	= \$ 1,200.00
Hearing Date: January 27, 2003 1 session	
Total Forum Fees	= \$ 4,050.00

The Panel has assessed \$2,025.00 of the forum fees to UBS Financial Services, Inc., f/k/a UBS PaineWebber, Inc. In addition, the Panel has assessed \$2,025.00 of the forum fees jointly and severally to Respondents Prudential Securities Incorporated, Jeffrey A. Ockwood, Robert E. Holland, Robert E. Gillespie, David E. Meadors, Matthew H. Fuller and Scott R. Cameron.

FFS SUMMARY

Claimant UBS Financial Services, Inc., f/k/a UBS PaineWebber, Inc. is solely liable for:

Initial Filing Fee	= \$ 1,250.00
Member Fees	= \$ 6,100.00
Injunctive Relief Fees	= \$ 2,500.00
Forum Fees	= \$ 2,025.00
Total Fees	= \$11,875.00
Less payments	= \$11,875.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Prudential Securities Incorporated is solely liable for:

Member Fees	= \$ 6,100.00
Less payments	= \$ 5,600.00
Balance Due NASD Dispute Resolution	= \$ 500.00

Respondents Prudential Securities Incorporated, Jeffrey A. Ockwood, Robert E. Holland, Robert E. Gillespie, David E. Meadors, Matthew H. Fuller and Scott R. Cameron are jointly and severally liable for:

Forum Fees	= \$ 2,025.00
Less payments	= \$ 2,025.00
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.

NASD Dispute Resolution

Arbitration No. 00-03692

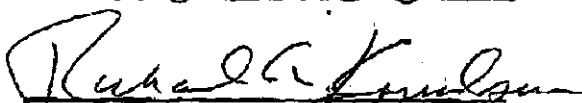
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ARBITRATION PANEL

Richard A. Knudsen - Public Arbitrator, Presiding Chairperson

Daniel A. Kile, Esq. - Public Arbitrator

Robert E. Otto - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Richard A. Knudsen

Public Arbitrator, Presiding Chairperson



Signature Date

Daniel A. Kile, Esq.
Public Arbitrator_____
Signature Date_____
Robert E. Otto
Non-Public Arbitrator_____
Signature Date

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

NASD Dispute Resolution

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Richard A. Knudsen - Public Arbitrator, Presiding Chairperson

Daniel A. Kile, Esq. - Public Arbitrator

Robert E. Otto - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Richard A. Knudsen

Public Arbitrator, Presiding Chairperson

Signature Date


Daniel A. Kile, Esq.
Public Arbitrator


September 12, 2003
Signature Date

Robert E. Otto
Non-Public Arbitrator

Signature Date


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

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ARBITRATION PANEL

Richard A. Knudsen - Public Arbitrator, Presiding Chairperson
Daniel A. Kile, Esq. - Public Arbitrator
Robert E. Otto - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Richard A. Knudsen
Public Arbitrator, Presiding Chairperson

Signature Date

Daniel A. Kile, Esq.
Public Arbitrator

Signature Date

Robert E. Otto

Robert E. Otto
Non-Public Arbitrator

9/12/03
Signature Date

9/16/03 mem
Date of Service (For NASD Dispute Resolution office use only)