

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
C. Stephen Hautpli

Case Number: 00-05003

Name of the Respondent
UBS PaineWebber, Inc.

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For C. Stephen Hautpli ("Hautpli"), hereinafter referred to as "Claimant": Paul I. Aronowitz, Houston, Texas.

For UBS PaineWebber, Inc. ("UBS-PW"), hereinafter referred to as "Respondent": Charles W. Schwartz, Vinson and Elkins, LLP., Houston, Texas.

CASE INFORMATION

Statement of Claim filed on or about: November 10, 2000.
Claimant signed the Uniform Submission Agreement: December 19, 2000.
Statement of Answer filed by Respondent on or about: January 16, 2001
Respondent signed the Uniform Submission Agreement: January 21, 2001.

CASE SUMMARY

Claimant asserted the following: 1) Respondent breached Claimant's trust; 2) Respondent breached its fiduciary duty to Claimant; 3) Respondent's actions constituted fraud in stock transactions within the meaning of TEX. BUS. & COM. CODE Section 27.01; 4) Respondent's actions constituted common law fraud; 5) Respondent's actions constituted negligence and gross negligence; 6) Respondent misappropriated funds in Claimant's account; 7) Respondent fraudulently induced Claimant to sign a new account agreement; and 8) Respondent exercised duress over Claimant. The causes of action relate to non-specified securities in a guardianship account which was set up for Claimant's benefit when Claimant was a minor.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested compensatory damages of \$12,250,000.00, plus interest, exemplary damages, attorney's fees, specific performance, the costs of this proceeding and such other relief as is deemed just and proper.

Respondent requested that all claims against it be dismissed and such other and further relief as is deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On February 19, 2002, Claimant filed with NASD a Notice of Dismissal dismissing all claims with prejudice and requested that an Order be entered dismissing this matter with prejudice. Pursuant to said request, an Order was entered by the arbitration panel on February 24, 2002.

On April 15, 2002, NASD was provided with a copy of the Discharge of Joint Debtors Order of the United States Bankruptcy Court, Southern District of Florida for James Joseph Maley, III which was entered on March 19, 2002.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the Claimant's Notice of Dismissal and the record in this matter the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are dismissed with prejudice.
2. Any and all other requests for relief not specifically addressed herein, including Claimant's requests for exemplary damages, specific performance and attorney's fees, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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
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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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, UBS PaineWebber, Inc. is a party.

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

Adjournment Fees

No adjournments were granted during these proceedings for which fees were assessed.

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.

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$1,200.00	= \$1,200.00
Pre-hearing conference: March 29, 2001	1 session
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Total Forum Fees	= \$1,200.00

1. The Panel has assessed \$400.00 of the forum fees to Claimant.
2. The Panel has assessed \$400.00 of the forum fees to Respondent UBS-PW.

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.

No administrative fees were incurred during this proceeding.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 400.00
Total Fees	= \$1,000.00
Less payments	= \$1,000.00
Balance Due NASD	= \$ 0.00
2. Respondent UBS-PW is solely liable for:

Member Fees	= \$9,200.00
Forum Fees	= \$ 400.00
Total Fees	= \$9,600.00
Less payments	= \$9,600.00

Balance Due NASD

= \$ 0.00

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

ARBITRATION PANEL

Jack C. Payne - *Non-Public Arbitrator, Presiding Chairperson*
Judy Avey - *Public Arbitrator*
Seth L. Finkel, Esq. - *Public Arbitrator*

Concurring Arbitrators' Signatures

/s/
Jack C. Payne
Non-Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Judy Avey
Public Arbitrator

Signature Date

/s/
Seth L. Finkel
Public Arbitrator

Signature Date

October 1, 2002

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

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= \$ 0.00

Balance Due NASD

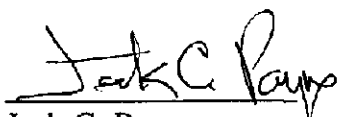
FL ARBITRATION

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<i>Judy Avey</i>	-	<i>Public Arbitrator</i>
<i>Seth L. Finkel, Esq.</i>	-	<i>Public Arbitrator</i>

Concurring Arbitrators' Signatures



Jack C. Payne
Non-Public Arbitrator, Presiding Chairperson

9-20-02
Signature Date

Judy Avey
Public Arbitrator

Signature Date

Seth L. Finkel
Public Arbitrator

Signature Date

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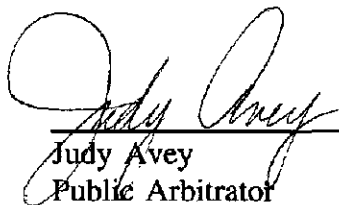
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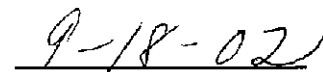
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Signature Date

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