

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Case Number: 00-05331

Tiberiu Salamon, M.D.
Tiberiu Salamon, M.D., P.C.
Tiberiu Salamon, M.D., PC Defined Pension Plan
Tiberiu Salamon Defined Benefit Pension Trust PMP A/C
The Estate of Eva Farago
The Estate of Andrew Farago

Name of the Respondents

Hearing Site: New York, NY

UBS Painewebber, Inc.
J.W. Barclay & Co., Inc.
Warburg Dillion Read LLC n/k/a UBS Warburg LLC
Peter V. Hamm
Ethan K. Emma
John A. Meskunas

REPRESENTATION OF PARTIES

Claimants, Tiberiu Salamon, M.D. ("Salamon"); Tiberiu Salamon, M.D., P.C. ("Salamon, P.C."); Tiberiu Salamon, M.D., PC Defined Pension Plan (Salamon "Pension"); Tiberiu Salamon Defined Benefit Pension Trust PMP A/C ("Salamon Trust"); The Estate of Andrew Farago (Estate of A. Farago), and The Estate of Eva Farago (Estate of E. Farago), hereinafter collectively referred to as "Claimants": Steven I. Adler, Esq., Cole, Schotz, Meisel, Forman & Leonard, Hackensack, NJ.

Respondents, UBS Painewebber, Inc. ("UBS PW") and Warburg Dillion Read LLC n/k/a UBS Warburg LLC ("UBS Warburg"): Andrew J. Melnick, UBS Painewebber Inc., New York, NY;

Respondents, Ethan K. Emma ("Emma") and John A. Meskunas ("Meskunas"): Anthony Paduano, Esq., Paduano & Weintraub LLP, New York, NY;

Respondent, Peter V. Hamm ("Hamm"): Kevin Patrick McGovern, Esq., Bridgewater, NJ, previously represented by: Marc J. Ross, Esq., Sichenzia, Ross and Friedman LLP, New York, NY;

J.W. Barclay & Co., Inc. ("Barclay") did not appear at the hearings in this matter.
Previously represented by: John A. Bruno, J.W. Barclay & Co., Inc., Woodbridge, NY.

CASE INFORMATION

Statement of Claim filed on or about: December 1, 2000
Claimants signed the Uniform Submission Agreement: November 8, 2000
Reply to Respondents UBS PW and UBS Warburg Counterclaim filed by Claimants on
or about: March 22, 2001

Joint Statement of Answer and Counterclaim filed by Respondents UBS PW and UBS
Warburg, on or about: February 16, 2001
Statement of Answer filed by Respondent Barclay, on or about: February 16, 2001
Statement of Answer filed by Respondent Hamm, on or about: February 21, 2001
Joint Statement of Answer and Crossclaim filed by Respondents Emma and Meskunas,
on or about: March 12, 2001

Respondent Barclay did not sign the Uniform Submission Agreement
Respondent Emma, signed the Uniform Submission Agreement: March 8, 2001
Respondent Hamm did not sign the Uniform Submission Agreement
Respondent Meskunas, signed the Uniform Submission Agreement: March 8, 2001
Respondent UBS PW did not sign the Uniform Submission Agreement
Respondent UBS Warburg, signed the Uniform Submission Agreement: February 15,
2001

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; negligence; failure
to supervise; breach of fiduciary duty; churning; suitability; unauthorized trading;
negligent supervision. Securities involved: Viacom and Hungarian Broadcasting Company
warrants, and unspecified stocks

In their Counterclaim, Respondents UBS PW and UBS Warburg asserted the following
causes of action: breach of fiduciary duties, indemnification, and contribution.

In their Crossclaim, Respondents Emma and Meskunas asserted the following causes of
action: indemnification and contribution.

Unless specifically admitted in their Answers, Respondents Barclay, Emma, Hamm,
Meskunas, USB PW, and UBS Warburg denied the allegations made in the Statement of
Claim and asserted various affirmative defenses.

RELIEF REQUESTED

1. Claimants requested \$675,000.00 in compensatory damages and \$325,000.00 in punitive damages.
2. Claimants further requested costs related to these proceedings be assessed against all Respondents.
3. Respondents UBS PW and UBS Warburg requested dismissal of this proceeding and an offset or apportionment of the award in the amount the Panel determines that Claimants contributed to the claimed losses.
4. Respondents UBS PW and UBS Warburg further requested costs related to these proceedings be assessed against Claimants.
5. Respondents Emma and Meskunas requested that the Claim be dismissed in its entirety with prejudice, that they be awarded their costs and attorneys' fees, and that the Panel enter an award in their favor on their Crossclaim for attorneys' fees, indemnification and contribution, together with such other and further relief as it deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Barclay, Hamm, and UBS PW did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement, but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

Previously, the panel granted in part the motion by non-party witness Mary Eitel to recover expenses. The panel awarded her the sum of \$630.66 against Respondents Emma and Meskunas. If said Respondents have paid Ms. Eitel that amount, the said Respondents should recover that amount against Claimants as additional costs. If Respondents Emma and Meskunas have not yet paid Ms. Eitel that amount, such amount (\$636.66) should be paid by Claimants to Ms. Eitel rather than Respondents Emma and Meskunas.

Claimants settled and withdrew all claims against Respondents UBS PW and UBS Warburg prior to the hearing.

As part of the settlement, Respondents UBS PW and UBS Warburg withdrew their Counterclaim against Claimants.

Respondents Emma and Meskunas withdrew their Crossclaim against Respondents UBS PW and UBS Warburg prior to the hearing.

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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Barclay is liable for and shall pay to Claimants, Estate of A. Farago and Estate of E. Farago, the sum of \$152,517.00 as compensatory damages representing damages incurred in the account of the Faragos at Barclay for the period August, 1996 to October, 1997 subsequent to the date of Respondent Hamm's employment with Barclay, plus interest at the rate of 9% per annum accruing from November 1, 1997 until the date of payment of this Award.
2. Any and all relief not specifically addressed herein, including punitive damages, 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	= \$ 500.00
Counterclaim filing fee	= \$ 2,000.00
Crossclaim filing fee	= \$ 500.00

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, Barclay, UBS PW, and UBS Warburg are parties.

<u>Barclay & Co., Inc.</u>	
Member surcharge	= \$2,500.00
 <u>UBS PaineWebber, Inc.</u>	
Member surcharge	= \$2,500.00

Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

Warburg Dillon Read LLC

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 9, 10, 11, 2002 adjournment by Hamm	= \$WAIVED
December 9, 10, 11, 12, 13, 2002 adjournment by Hamm	= \$WAIVED

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:

Eight (8) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$3,600.00
Pre-hearing conferences: November 1, 2001	1 session
November 15, 2001	1 session
February 13, 2002	1 session
March 1, 2002	1 session
March 14, 2002	1 session
April 19, 2002	1 session
May 23, 2002	1 session
September 24, 2002	1 session
Four (4) Pre-hearing sessions with Panel @ \$1,200.00	= \$4,800.00
Pre-hearing conferences: July 17, 2001	1 session
October 15, 2001	1 session
June 27, 2002	1 session
December 10, 2002	1 session
Number (41) Hearing sessions @ \$1,200.00	= \$49,200.00
Hearing Dates: December 12, 2001	1 session
April 22, 2002	2 sessions
April 24, 2002	2 sessions
April 26, 2002	2 sessions
April 29, 2002	2 sessions
May 1, 2002	2 sessions
July 1, 2002	2 sessions
July 2, 2002	2 sessions
July 3, 2002	2 sessions
July 25, 2002	2 sessions

July 26, 2002	2 sessions
August 7, 2002	2 sessions
August 8, 2002	2 sessions
August 28, 2002	2 sessions
August 29, 2002	2 sessions
September 12, 2002	2 sessions
September 13, 2002	2 sessions
April 30, 2003	2 sessions
May 1, 2003	2 sessions
May 2, 2003	2 sessions
May 8, 2003	2 sessions
Total Forum Fees	= \$57,600.00

1. The Panel has assessed \$28,800.00 of the forum fees against Claimants.
2. The Panel has assessed \$7,200.00 of the forum fees against Respondent Barclay.
3. The Panel has assessed \$7,200.00 of the forum fees against Respondent Emma.
4. The Panel has assessed \$7,200.00 of the forum fees against Respondent Hamm.
5. The Panel has assessed \$7,200.00 of the forum fees against Respondent Meskunas.

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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Respondent UBS Pain Webber requested tapes = \$ 30.00
2. Respondents Emma and Meskunas requested tapes = \$705.00

Fee Summary

1. Claimants are solely liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$28,800.00
Total Fees	= \$29,300.00
<u>Less payments</u>	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$27,600.00
2. Respondent UBS Paine Webber, is solely liable for:

Members Fees	= \$7,600.00
<u>Costs</u>	= \$ 30.00
Total Fees	= \$7,630.00
<u>Less payments</u>	= \$7,750.00
Refund Due UBS Paine Webber	= \$ 120.00

3. Respondent UBS Warburg, is solely liable for:

Counter Claim filing fee	= \$ 2,000.00
Members Fees	= \$ 7,600.00
Total Fees	= \$ 9,600.00
Less payments	= \$10,800.00
Refund Due UBS Warburg	= \$ 1,200.00

4. Respondent Hamm, is solely liable for:

Forum Fees	=\$7,200.00
Total Fees	=\$7,200.00
Less Payment	=\$ 210.00
Balance Due NASD Dispute Resolution	=\$6,990.00

5. Respondents, Emma and Meskunas, are jointly and severally liable for:

Crossclaim Filing Fee	= \$ 500.00
Costs	= \$ 705.00
Total Fees	= \$ 1,205.00
Less Payments	= \$ 1,205.00
Balance Due NASD Dispute Resolution	= \$ 0.00

6. Respondent Barclay, is solely liable for:

Members Fees	=\$ 2,500.00
Forum Fees	=\$ 7,200.00
Total Fees	=\$ 9,700.00
Less Payments	=\$ 0.00
Balance Due NASD Dispute Resolution	=\$ 9,700.00

7. Respondent Emma is solely liable for:

Forum Fees	= \$ 7,200.00
Total Fees	= \$ 7,200.00
Less Payments	= \$ 1,065.00
Balance Due NASD Dispute Resolution	= \$ 6,135.00

8. Respondent Meskunas is solely liable for:

Forum Fees	=\$ 7,200.00
Total Fees	=\$ 7,200.00
Less Payments	=\$ 0.00
Balance Due NASD Dispute Resolution	=\$ 7,200.00

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

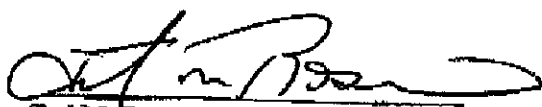
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ARBITRATION PANEL

Ted M. Rosen, Esq.	-	Public Arbitrator, Presiding Chair
John P. Bannon	-	Public Arbitrator
John J. Phelan, Esq.	-	Non-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 is which is my award.



Ted M. Rosen, Esq.
Public Arbitrator, Presiding Chairperson

6-17-03

Signature Date

John P. Bannon
Public Arbitrator

Signature Date

John J. Phelan, Esq.
Non-Public Arbitrator

Signature Date

June 18, 2003
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

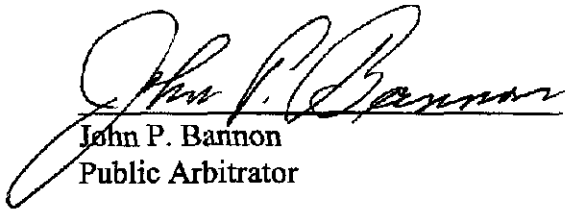
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John P. Bannon	-	Public Arbitrator
John J. Phelan, Esq.	-	Non-Public Arbitrator

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Ted M. Rosen, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


John P. Bannon
Public Arbitrator

6-12-03
Signature Date

John J. Phelan, Esq.
Non-Public Arbitrator

Signature Date

June 18, 2003
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John P. Bannon	-	Public Arbitrator
John J. Phelan, Esq.	-	Non-Public Arbitrator

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Ted M. Rosen, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

John P. Bannon
Public Arbitrator

Signature Date



John J. Phelan, Esq.
Non-Public Arbitrator

6/16/03

Signature Date

June 18, 2003

Date of Service (For NASD Dispute Resolution use only)