
Stipulated Award

NASD

In the Matter of the Arbitration Between:

Name of the Claimant
Sky King Unlimited, Inc.

Case Number:
01-01626

Names of the Respondents
UBS PaineWebber, Inc. and Charles Duffy

Hearing Site:
Boca Raton, FL

REPRESENTATION OF PARTIES

For Sky King Unlimited, Inc., hereinafter referred to as "Claimant": Lloyd R. Schwed, Esq., Kubicki Draper, West Palm Beach, FL.

For Respondent UBS PaineWebber, Inc. ("PW"): Sara Soto, Esq., Fowler White Burnett, Miami, FL.

For Respondent Charles Duffy ("Duffy"): Richard L. Martens, Esq., Boose, Casey, Ciklin, Lubitz, Martens, McBane & O'Connell, West Palm Beach, FL.

CASE INFORMATION

Statement of Claim filed on or about: March 27, 2001.

Claimant signed the Uniform Submission Agreement: March 7, 2001.

General Denial and Request to Amend or Supplement filed by Respondent PW on or about: June 12, 2001.

Statement of Answer filed by Respondent PW on or about: July 30, 2001.

Statement of Answer filed by Respondent Duffy on or about: August 24, 2001.

Respondent Duffy signed the Uniform Submission Agreement: August 20, 2001.

Respondent PW did not file an executed Uniform Submission Agreement.

Reply to Respondent PW's Answer and Defenses filed by Claimant on or about: August 21, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; negligence; negligent supervision; fraud; churning; misrepresentation; and violations of the Florida Securities and Investor Protection Act. The causes of action relate to the unauthorized trading of various securities, including, but not limited to; JDS Uniphase Corp., Knight/Trimark Group, AT&T Wireless, Yahoo, and Priceline in Claimant's account.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$300,000.00, punitive damages in the amount of \$600,000.00, disgorgement of commissions, attorney's fees, costs, and any other relief deemed just and equitable.

Respondents requested that the Statement of Claim be dismissed, that Claimant be assessed attorney's fees, costs and expenses of this proceeding, and that all references to this matter be expunged from Respondent Duffy's registration records maintained by NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

Respondent PW did not file with NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, is bound by the determination of the undersigned arbitrators (the "Panel") on all issues submitted.

On or about April 30, 2002, the parties informed NASD that they had settled this matter, and filed with NASD a proposed Stipulated Award.

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

AWARD

After considering the pleadings and the proposed Stipulated Award, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's withdrawal of its claims is accepted, and Respondents are dismissed from this matter with prejudice.
2. The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Duffy's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Duffy must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 375.00

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 persons at the time of the events giving rise to the dispute. Accordingly, Respondent PW is assessed:

NASD

Arbitration No. 01-01626

Award Page 3 of 4

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

Adjournment Fees

Adjournment fees were not assessed in this matter.

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.

Injunctive relief fees were not assessed in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the Panel, including a pre-hearing conference with a single arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

Pre-hearing session with single arbitrator @ \$ 450.00	= \$ 450.00
Pre-hearing conference: April 25, 2002 1 session	

Total Forum Fees	= \$ 450.00
------------------	-------------

1. The Panel has assessed \$ 150.00 of the forum fees to Claimant.
2. The Panel has assessed \$ 150.00 of the forum fees to Respondent Duffy.
3. The Panel has assessed \$ 150.00 of the forum fees to Respondent 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.

Administrative costs were not incurred in this matter.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 150.00
Total Fees	= \$ 525.00
<u>Less payments</u>	= \$ 525.00
Balance Due NASD	= \$ 0.00

NASD

Arbitration No. 01-01626

Award Page 4 of 4

2. Respondent PW is solely liable for:

Member Fees	= \$ 6,100.00
Forum Fees	= \$ 150.00
Total Fees	= \$ 6,250.00
Less payments	= \$ 6,100.00
Balance Due NASD	= \$ 150.00

3. Respondent Duffy is solely liable for:

Forum Fees	= \$ 150.00
Total Fees	= \$ 150.00
Less payments	= \$ 0.00
Balance Due NASD	= \$ 150.00

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

ARBITRATION PANEL

Gary M. Landau, Esq.	-	Public, Presiding Chairperson
Herbert Branitsky	-	Public Arbitrator
Bernard L. Loring	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

07/24/02

Gary M. Landau, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

07/23/02

Herbert Branitsky
Public Arbitrator

Signature Date

/s/

07/24/02

Bernard L. Loring
Non-Public Arbitrator

Signature Date

07/30/02

Date of Service (For NASD office use only)

NASD

Arbitration No. 01-01626

Award Page 4 of 4

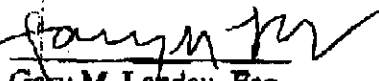
2. Respondent PW is solely liable for:	
Member Fees	= \$ 6,100.00
<u>Forum Fees</u>	= \$ 150.00
Total Fees	= \$ 6,250.00
<u>Less payments</u>	= \$ 6,100.00
Balance Due NASD	= \$ 150.00
3. Respondent Duffy is solely liable for:	
<u>Forum Fees</u>	= \$ 150.00
Total Fees	= \$ 150.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD	= \$ 150.00

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

ARBITRATION PANEL

Gary M. Landau, Esq.	-	Public, Presiding Chairperson
Herbert Branitsky	-	Public Arbitrator
Bernard L. Loring	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


 Gary M. Landau, Esq.
 Public Arbitrator, Presiding Chairperson

7/24/2002
 Signature Date

Herbert Branitsky
 Public Arbitrator

Signature Date

Bernard L. Loring
 Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

JUL 23 2002 3:27PM

NO. 1589 P. 5/5

NASD

Arbitration No. 01-01626

Award Page 4 of 4**2. Respondent PW is solely liable for:**

Member Fees	= \$ 6,100.00
Forum Fees	= \$ 150.00
Total Fees	= \$ 6,250.00
Less payments	= \$ 6,100.00
Balance Due NASD	= \$ 150.00

3. Respondent Duffy is solely liable for:

Forum Fees	= \$ 150.00
Total Fees	= \$ 150.00
Less payments	= \$ 0.00
Balance Due NASD	= \$ 150.00

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

ARBITRATION PANEL

Gary M. Landau, Esq.

Herbert Brantisky

Bernard L. Loring

-
-
-

Public, Presiding Chairperson

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Gary M. Landau, Esq.

Public Arbitrator, Presiding Chairperson



Herbert Brantisky

Public Arbitrator

Signature Date

7/23/02

Signature Date

Bernard L. Loring

Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD

Arbitration No. 01-01626

Award Page 4 of 4

2. Respondent PW is solely liable for:

Member Fees	= \$ 6,100.00
Forum Fees	= \$ 150.00
Total Fees	= \$ 6,250.00
Less payments	= \$ 6,100.00
Balance Due NASD	= \$ 150.00

3. Respondent Duffy is solely liable for:

Forum Fees	= \$ 150.00
Total Fees	= \$ 150.00
Less payments	= \$ 0.00
Balance Due NASD	= \$ 150.00

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

ARBITRATION PANEL

Gary M. Landau, Esq.	-	Public, Presiding Chairperson
Herbert Branitsky	-	Public Arbitrator
Bernard L. Loring	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

 Gary M. Landau, Esq.
 Public Arbitrator, Presiding Chairperson

 Signature Date

 Herbert Branitsky
 Public Arbitrator

 Signature Date


 Bernard L. Loring
 Non-Public Arbitrator

JUL 24, 2002
 Signature Date

 Date of Service (For NASD office use only)