

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Dr. David Thomas

and

01-02197
Louisville, Kentucky

Names of Respondents

UBS Financial Services, Inc.
David R. Meredith
James R. Brown

Nature of the Dispute: Customer vs. Member and Associated Persons

REPRESENTATION OF PARTIES

Dr. David Thomas ("**Claimant**") was represented by Michael A. Valenti, Esq., Valenti, Hanley & Crooks, PLLC, Louisville, Kentucky.

UBS Financial Services, Inc., David R. Meredith and James R. Brown ("**Respondents**") were represented by Michael Brady, Esq., Tate, Lazarini & Beall, PLC, Memphis, Tennessee.

CASE INFORMATION

The Statement of Claim was filed on or about April 30, 2001. The Submission Agreement of Claimant, Dr. David Thomas, was signed on or about October 18, 2000.

The Statement of Answer was filed by Respondent UBS Financial Services, Inc. on or about July 16, 2001. The Submission Agreement of Respondent UBS Financial Services, Inc. was signed on or about November 13, 2001. The Submission Agreement of Respondent David R. Meredith was signed on or about November 14, 2001. The Submission Agreement of Respondent James R. Brown was signed on or about November 13, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: Violation of the Kentucky and Federal Securities Acts, negligence; breach of fiduciary duty and fraud. The causes of action relate to the order

execution of various securities investments. The Claimant alleged that Respondents failed to properly manage his accounts and also recommended improper investments, which led to losses.

Unless specifically admitted in their Answer, Respondents UBS Financial Services, Inc., David R. Meredith and James R. Brown denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following defenses: Claimant fails to state a claim against Respondents for which relief can be granted; Claimant had full, complete and contemporaneous knowledge of the acts complained of and ratified said acts; therefore, Claimant is estopped and has waived any cause of action he may have had in this regard; and, Claimant is barred from bringing this proceeding on the grounds of laches and statutes of limitation.

RELIEF REQUESTED

Claimant requested an award in the amount of \$130,000.00 in compensatory damages, plus \$390,000.00 in punitive damages. The Claimant also requested interest, costs, attorney's fees and any other relief the Panel deems just and proper.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs, attorney's fees and any such other and further relief as the Panel may deem appropriate under the circumstances.

OTHER ISSUES CONSIDERED & DECIDED

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

AWARD

In lieu of having a hearing, the parties have settled their disputes and, at the request of the parties, the Panel hereby enters this award granting the following relief:

1. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents David R. Meredith's and James R. Brown's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents David R. Meredith and James R. Brown must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.

3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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 = \$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. In this matter, the member firm is UBS Financial Services, Inc.

Member surcharge	\$	2,000.00
Pre-hearing process fee	\$	600.00
Hearing process fee	\$	<u>3,500.00</u>
Total Member Fees	\$	6,100.00

Adjournment Fees

Adjournments requested during these proceedings:

September 23-27, 2002 Hearing Dates adjournment by UBS Financial Services, Inc. = \$1,200.00

August 18-20, 2003 Hearing dates adjournment by Dr. David Thomas = \$1,200.00

June 16-18, 2004 Hearing dates adjourned by both parties to mediate
(waived by the NASD) = \$ 00.00

Forum Fees and Assessments

The Arbitration 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:

1 (One) Pre-hearing session with Panel	x	1,200.00	\$	1,200.00
August 13, 2003	1	Session		
Total Forum Fees			\$	<u>1,200.00</u>

The Arbitration Panel has assessed \$600.00 of the forum fees to Dr. David Thomas.

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to UBS Financial Services, Inc., David R. Meredith, and James R. Brown.

Fee Summary

Claimant, Dr. David Thomas, is liable for:

Initial Filing Fee	= \$	375.00
Adjournment Fee	= \$	1,200.00
<u>Forum Fees</u>	= \$	<u>600.00</u>
Total Fees	= \$	2,175.00
<u>Less payments</u>	= \$	<u>-2,175.00</u>
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent, UBS Financial Services, Inc., is liable for:

<u>Member Fees</u>	= \$	<u>6,100.00</u>
Total Fees	= \$	6,100.00
<u>Less payments</u>	= \$	<u>-6,100.00</u>
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, UBS Financial Services, Inc., David R. Meredith, James R. Brown, and are jointly and severally liable for:

Adjournment Fee	= \$	1,200.00
<u>Forum Fees</u>	= \$	<u>600.00</u>
Total Fees	= \$	1,800.00
<u>Less payments</u>	= \$	<u>-1,500.00</u>
Balance Due NASD Dispute Resolution	= \$	300.00

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

ARBITRATION PANEL

Franklin S. Yudkin Esq. - Public Arbitrator, Presiding Chair
Sarah Martin, CFA, CFP - Public Arbitrator
Phillip Barry Wise - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Franklin S. Yudkin, Esq.
Franklin S. Yudkin Esq.
Public Arbitrator, Presiding Chair

08/25/04
Signature Date

/s/ Sarah Martin, CFA, CFP
Sarah Martin, CFA, CFP
Public Arbitrator

08/27/04
Signature Date

/s/ Phillip Barry Wise
Phillip Barry Wise
Non-Public Arbitrator

08/31/04
Signature Date

09/07/04
Date of service

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Public Arbitrator, Presiding Chair

8-25-04
Signature Date

Sarah Martin
Sarah Martin, CFA, CFP
Public Arbitrator

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Non-Public Arbitrator

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Non-Public Arbitrator

8-31-04
Signature Date

Date of service