

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Party Name(s), Samuel R. Bacon vs. PaineWebber Incorporated, J.C. Bradford & Co., and Lawrence Taylor (Respondent(s)).

Case Number: 01-02665

Hearing Site: Nashville, Tennessee

REPRESENTATION OF PARTIES

Claimant(s), Samuel R. Bacon ("Bacon"), hereinafter referred to as "Claimant": Attorney Name, Hugh J. Moore, Esq., and Rosemarie L. Bryan, Esq., Witt, Gaither & Whitaker, P.C., 1100 Suntrust Bank Building, 736 Market Street, Chattanooga, TN 37402.

Respondents, UBS PaineWebber, Inc. ("UBS PaineWebber"), which was named in this Arbitration as PaineWebber Incorporated and J.C. Bradford & Co., Lawrence Taylor, ("Taylor") formerly known as PaineWebber, Inc., successor in interest to J.C. Bradford & Co., hereinafter collectively referred to as "Respondents": Attorney Name: John E. Jenkins, Esq., UBS PaineWebber Inc., 1200 Harbor Blvd., Weehawken, New Jersey 07086.

CASE INFORMATION

Amended Statement of Claim filed on or about: May 10, 2001.

Claimant, (*Samuel R. Bacon*), signed the Uniform Submission Agreement: May 10, 2001

Statement of Answer, Motion to Dismiss, Affirmative Defenses and Counterclaim filed by the Respondents, (*UBS PaineWebber, Inc., and Lawrence Taylor*), on or about: September 24, 2001.

Respondents, (*UBS PaineWebber, Inc. and Lawrence Taylor*), signed the Uniform Submission Agreement: Date: September 24, 2001.

Claimant's Response to Motion to Dismiss and Counterclaim of Respondents dated October 15, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: Excessive trading in account to generate fees and commissions; inappropriate and excessive trading; breach of fiduciary duty; failure to supervise/respondent superior/"Controlling Person" liability.

Unless specifically admitted in its Answer, Respondents (*UBS PaineWebber and Lawrence Taylor*) denied the allegations made in the Statement of Claim and asserted the following defenses:

The Statement of Claim fails to state a claim upon which relief can be granted. Any injury sustained by Claimant, was caused solely, or in substantial part by Claimant's

own negligence, recklessness and/or wrongdoing. Claimant is barred from any recovery because he directly instructed, directed, authorized, consented to, acquiesced in and/or ratified the transactions in question. The claims contained in the Statement of Claim are barred by the applicable statute of limitations and the doctrine of laches. The Claimant assumed the risk of the investments in and management of the Account. Respondents made no misstatements of material fact upon which Claimant detrimentally relied. Claimant has failed to mitigate any damages he may have suffered. Respondents were not in a fiduciary relationship with Claimant relating to the claims made in this case. The claims contained in the Statement of Claim are barred by the doctrines of waiver and estoppel. There is no basis in law, equity or the code of arbitration for an award of attorney's fees or punitive damages to the Claimant in this case.

RELIEF REQUESTED

Claimants requested: Unspecified compensation for losses, including but not limited to losses in the account from late 1999 through 2000, commissions and margin interest paid, attorneys' fees and punitive damages.

Respondents (*UBS PaineWebber Inc. and Lawrence Taylor*) requested: Dismissal of the Statement of Claim in all respects and reimbursement of attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

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.

Resolution of Dispositive Motions: Respondents motion to dismiss prior to any hearing was denied.

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Respondent UBS PaineWebber Inc. will pay all forum fees, as specified below, and shall reimburse Claimant in the amount of \$1,700 for fees already paid by him.
- 2.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Lawrence Taylor's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Lawrence Taylor must obtain

confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive

- 3.) That any relief not specifically enumerated, including punitive damages is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, UBS PaineWebber Inc. and J.C. Bradford & Co. are parties and responsible for the following member fees:

Member surcharge	= \$ 1,200.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,000.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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:

Four (4) Pre-hearing sessions with Panel x \$1,000.00	= \$ 4,000.00
Pre-hearing conferences:	
December 10, 2001	1 session
December 27, 2001	1 session
February 15, 2002	1 session
February 22, 2002	1 session
<hr/> Total Forum Fees	<hr/> = \$ 4,000.00

The arbitrators determined that forum fees would be paid as follows:

Claimant shall pay \$2,000.00 and Respondents are jointly and severally for \$2,000.00.

Fee Summary

Claimant is liable for:

Initial Filing Fee	= \$ 250.00
<u>Forum Fees</u>	<u>= \$ 2,000.00</u>

Total Fees	= \$ 2,250.00
Less payments	= \$ 2,250.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent UBS PaineWebber Inc. is solely liable for:

Member Fees	= \$ 3,800.00
Less payments	= \$ 3,800.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent J.C. Bradford & Co. is solely liable for:

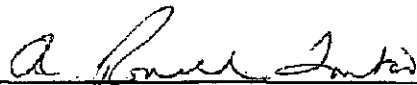
Member Fees	= \$ 3,800.00
Less payments	= \$ 3,800.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents PaineWebber Incorporated, JC. Bradford & Co., and Lawrence Taylor are jointly and severally liable for:

Forum Fees	= \$ 2,000.00
Less payments	= \$ 2,000.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures



A. Ronald Tonks, Ph.D.
Public Arbitrator, Presiding Chair

02-14-03

Signature Date


PARTIES AGREED TO TERMS OF AWARD BEFORE
FINAL ARBITRATION BEGINS. (AL)

David Williams, II, J.D.
Public Arbitrator

Signature Date

Andrew J. Spurgeon
Industry Arbitrator

Signature Date

5/20/03 
Date of Service (For NASD office use only)

Total Fees	= \$ 2,250.00
<u>Less payments</u>	<u>= \$ 2,250.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent UBS PaineWebber Inc. is solely liable for:

Member Fees	= \$ 3,800.00
<u>Less payments</u>	<u>= \$ 3,800.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent J.C. Bradford & Co. is solely liable for:

Member Fees	= \$ 3,800.00
<u>Less payments</u>	<u>= \$ 3,800.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents PaineWebber Incorporated, JC. Bradford & Co., and Lawrence Taylor are jointly and severally liable for:

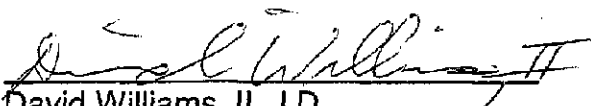
Forum Fees	= \$ 2,000.00
<u>Less payments</u>	<u>= \$ 2,000.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

A. Ronald Tonks, Ph.D.
Public Arbitrator, Presiding Chair

Signature Date




David Williams, II, J.D.
Public Arbitrator

1/31/03

Signature Date

Andrew J. Spurgeon
Industry Arbitrator

Signature Date

5/20/03 

Date of Service (For NASD office use only)

Total Fees	= \$ 2,250.00
<u>Less payments</u>	<u>= \$ 2,250.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent UBS PaineWebber Inc. is solely liable for:

Member Fees	= \$ 3,800.00
<u>Less payments</u>	<u>= \$ 3,800.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent J.C. Bradford & Co. is solely liable for:

Member Fees	= \$ 3,800.00
<u>Less payments</u>	<u>= \$ 3,800.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents PaineWebber Incorporated, J.C. Bradford & Co., and Lawrence Taylor are jointly and severally liable for:

Forum Fees	= \$ 2,000.00
<u>Less payments</u>	<u>= \$ 2,000.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

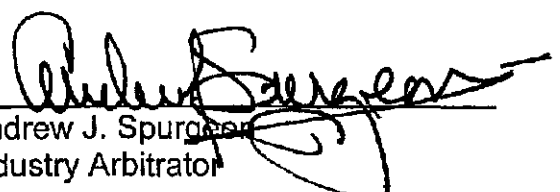
Concurring Arbitrators' Signatures

A. Ronald Tonks, Ph.D.
Public Arbitrator, Presiding Chair

Signature Date

David Williams, II, J.D.
Public Arbitrator

Signature Date


Andrew J. Spurgeon
Industry Arbitrator

2-5-03
Signature Date

5/20/03 Man
Date of Service (For NASD office use only)