

PACIFIC EXCHANGE, INC.
115 Sansome Street, 3rd Floor
San Francisco, California 94104

In The Matter of the Arbitration Between

CLAIMANT
V
UBS / PaineWebber
Roger Rowe, Mark Flower,
Eric Tower
RESPONDENTS

PCX Case No. 01-5012

DECISION

The undersigned Arbitrator, having read and considered the Claim submitted by Claimant on June 30, 2001, and the Answer of Respondents, hereby renders the following Decision pursuant to Rules 12.2 and 12.29(a) of the Rules of the Board of Governors of the Pacific Exchange.

REPRESENTATION OF PARTIES

Of Claimant: _____

Of Respondents: Steven W. Hawkins, Munger, Tolles & Olson LLP
Lisa K. Donahue, Assistant General Counsel & Corporate VP
UBS / PaineWebber

SUMMARY OF FACTS

Claimant, _____ worked for Cisco Systems. Cisco has an agreement with PaineWebber to transfer shares of Cisco stock monthly into _____'s PaineWebber account. _____ issued instructions in March, 2000, to Vanguard to ACAT all Cisco shares received by PaineWebber monthly to Vanguard. The first transfer occurred on March 21, 2000.

The ACAT instructions remained in effect until ordered cancelled by _____ on September 22, 2000. The ACAT was subsequently cancelled on September 26, three business days later.

ISSUES PRESENTED

_____ claims PaineWebber refused his instruction to execute two sales of 900 shares of Cisco Stock each. The alleged losses claimed are \$4500 and \$5400, respectively for a total of \$9900.

PaineWebber denies allegations of wrongdoing due to a standing ACAT ordered, at _____'s request, from Vanguard. PaineWebber sold 900 shares of _____'s Cisco Stock in Aug. 2000 while

ACAT was still in effect. PaineWebber issued a cancellation of standing ACAT order September 26, 2000

RELIEF REQUESTED

Claimant requests to be reimbursed \$9900.

Respondents requests costs of suit incurred and other relief deemed just and proper.

FINDINGS AND DECISION

A. Findings of Fact:

"After considering the argument and evidence of both the Claimant and Respondent in this matter, the undersigned Arbitrator makes the following findings:

1. In order to process a trade with an ACAT order in place, written instructions are required.
[REDACTED] failed to deliver written instructions to PaineWebber in first incident (Aug. 2000)
No Profit was made by PaineWebber on Transaction.
2. In September 2000, [REDACTED] requested to sell 900 shares of Cisco Systems.
PaineWebber followed instruction of ACAT guidelines and refused to execute trade.
[REDACTED] then completed paperwork with PaineWebber to cancel ACAT order on September 22, 2000. He was informed this would take three (3) business days.
On September 26, 2001, [REDACTED] could sell his stock through PaineWebber and he did not.

B. Decision:

"After considering the argument and evidence of both the Claimant and Respondent in this matter, the undersigned Arbitrator makes the final determination and decision of the issues presented, as set forth below."

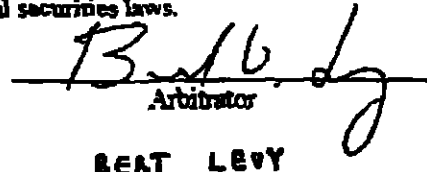
1. PaineWebber made no profit on [REDACTED]'s Aug. 2000 trade.
2. On September 26, 2000, [REDACTED] could have sold Cisco Stock at PaineWebber.
He did not sell and finally transferred his Cisco stock out of PaineWebber on December 8, 2000. Therefore there is no actual damage.

C. Award:

1. Monetary Damages - \$0
2. Punitive Damages - \$0
3. Costs: Respondent shall not reimburse Claimant's non-refundable filing fee.
Parties shall bear their own costs of arbitration.
4. Attorney's Fees - \$0

This matter should not be referred to any regulatory organization for disciplinary investigation of rule violations or violations of federal securities laws.

Dated: JAN. 1, 2002


Arbitrator
BEATE LEVY