
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Isaac C. Thomas
Azalea Insurance Agency, Inc.

Case Number: 02-04895

Names of the Respondents

UBS PaineWebber, Inc.
f/k/a J.C. Bradford & Company
Mike Lewis

Hearing Site: New Orleans, Louisiana

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

REPRESENTATION OF PARTIES

For Isaac C. Thomas and Azalea Insurance Agency, Inc., hereinafter collectively referred to as "Claimants": James F. Willeford, Esq., New Orleans, Louisiana.

For Respondent UBS PaineWebber, Inc. f/k/a J.C. Bradford & Company ("UBS"): George C. Freeman, III, Esq. and Mark J. Fernandez, Esq., Barrasso, Usdin, Kupperman, Freeman & Sarver, L.L.C., New Orleans, Louisiana.

For Respondent Mike Lewis ("Lewis"): L. Jerome Stanley, Esq., Baton Rouge, Louisiana.

Respondents UBS and Lewis shall hereinafter be collectively referred to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about: August 19, 2002.

Claimants signed the Uniform Submission Agreement: October 2, 2002.

Respondents UBS and Lewis filed a Statement of Answer on or about: December 16, 2002.

Respondent UBS signed the Uniform Submission Agreement: January 21, 2003.

Respondent Lewis signed the Uniform Submission Agreement: January 17, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: violations of the Louisiana Securities Act for failure to supervise, respondeat superior, and breach of fiduciary duty; breach of contract; violations of federal securities laws and rules and regulations of the New York Stock Exchange and the NASD for misrepresentations, omissions, unsuitability, negligence, inappropriate trading, churning, and failure to supervise; gross negligence; and, willful and wanton conduct. The causes of action relate to the purchase of shares of stock in Sedona Corporation, Munder Funds Future Technology Class B, and MFS Massachusetts Investor Growth Stock Class B in Claimants' accounts.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses, including waiver, ratification, estoppel, assumption of the risk, and failure to mitigate.

RELIEF REQUESTED

Claimants requested compensatory damages of \$773,973.00, interest from the date of the investment until the date of payment of the award, arbitration costs including filing and hearing fees, expert witness fees, reasonable attorneys' fees, monetary compensation according to equity, and punitive damages of \$2,321,919.00.

Respondents UBS and Lewis requested that the Statement of Claim be denied, that they be awarded their attorneys' fees, that all fees and costs be assessed against Claimants, and for such other relief as deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") has decided in full and final resolution of the issues submitted for determination as follows:

The Panel finds that Respondents are liable for breach of fiduciary duty and suitability and shall pay damages to Claimants in the amount of \$100,000.00.

The Panel assesses sixty percent (60%) of the \$100,000.00 award, or \$60,000.00, against Respondent Lewis.

The Panel assesses forty percent (40%) of the \$100,000.00 award, or \$40,000.00, against Respondent UBS.

The Panel awards legal interest at Louisiana's judicial rate of interest accruing from August 19, 2002, until the Award is paid in full.

Claimants' filing fee for its claims shall be reimbursed to Claimants by Respondents. Sixty percent (60%) of the filing fee is to be paid by Respondent Lewis and forty percent (40%) by Respondent UBS. This assessment is joint and several. In the event any party fails to pay its allocated share, both parties are liable, jointly and severally, for the entire amount.

Any and all claims for relief not specifically addressed herein, including Claimants' requests for punitive damages and attorneys' fees, are denied.

FEES

Pursuant to the NASD Code of Arbitration (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 = \$ 600.00

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. Accordingly, Respondent UBS is a member firm and a party.

Member surcharge = \$ 2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were granted during these proceedings for which fees were assessed.

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.

No injunctive relief fees were assessed during these proceedings.

Forum Fees and Assessments

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

Three (3) Pre-hearing sessions with a single arbitrator @ \$450.00 = \$ 1,350.00

Pre-hearing sessions:	October 27, 2003	1 session
	November 7, 2003	1 session
	December 2, 2003	1 session

Three (3) Pre-hearing conferences with the Panel @ \$1,200.00 = \$ 3,600.00

Pre-hearing sessions:	May 22, 2003	1 session
	January 12, 2004	1 session
	March 5, 2004	1 session

Eleven (11) Hearing sessions @ \$1,200.00 = \$13,200.00

Hearing sessions:	December 8, 2003	2 sessions
	December 9, 2003	2 sessions

December 10, 2003	2 sessions
December 11, 2003	1 session
March 8, 2004	2 sessions
March 9, 2004	2 sessions

Total Forum Fees	= \$ 18,150.00
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The Panel has assessed all forum fees, including pre-hearing sessions and regular sessions, against Respondents. The forum fees are to be assessed sixty percent (60%) against Respondent Lewis and forty percent (40%) against Respondent UBS. In the event any party fails to pay its allocated share, both parties are liable, jointly and severally, for the entire amount.

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.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 600.00
Total Fees	= \$ 600.00
<u>Less payments</u>	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent UBS is solely liable for:

<u>Member Fees</u>	= \$ 8,550.00
Total Fees	= \$ 8,550.00
<u>Less payments</u>	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents UBS and Lewis are jointly and severally liable for:

<u>Forum Fees</u>	= \$18,150.00
Total Fees	= \$18,150.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$18,150.00

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

ARBITRATION PANEL

Philip Richard Bulliard, Esq.	-	Public Arbitrator, Presiding Chairperson
Herman Brasseaux	-	Public Arbitrator
Lee F. Murphy, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Philip Richard Bulliard, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Herman Brasseaux
Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Arbitrator Murphy dissents from the Panel's decision in that he finds no liability on the part of either Respondent.

/s/
Lee F. Murphy, Esq.
Non-Public Arbitrator

Signature Date


March 30, 2004
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
Arbitration No. 02-04895
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Philip Richard Bulliard, Esq.
Public Arbitrator, Presiding Chairperson

3-29-04
Signature Date

Herman Brasseaux
Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

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Lee F. Murphy, Esq.
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MAR. 29. 2004 3:56PM NASD SOCA RATON

NO. 814 P. 6

- NASD Dispute Resolution

Arbitration No. 02-04895

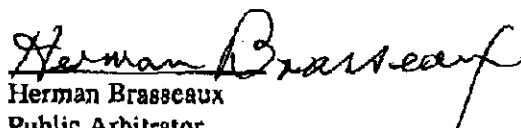
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Lee F. Murphy, Esq.
Non-Public Arbitrator

3/29/04

Signature Date

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