

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Louise Bowman Vick
Melissa Vick Wilkins

Case Number: 02-05254

Names of the Respondents

UBS PaineWebber, Inc.
Everett F. Nix, Jr.
Thomas Kloess

Hearing Site: Atlanta, Georgia

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

REPRESENTATION OF PARTIES

For Louise Bowman Vick and Melissa Vick Wilkins, hereinafter collectively referred to as "Claimants": Perry G. Shuttlesworth, Jr., Esq., Shuttlesworth & Moore, Birmingham, Alabama and Pat Huddleston, II, Esq., Huddleston & Nohr, Marietta, Georgia.

For Respondent Everett F. Nix, Jr. ("Nix"): Steven P. Gregory, Esq., Dice & Gregory, L.L.C., Tuscaloosa, Alabama.

For Respondents UBS PaineWebber, Inc. ("PW") and Thomas Kloess ("Kloess"): Lee H. Zell, Esq., Will Hill Tankersley, Esq. and A. Kelly Brennan, Esq., Balch & Bingham, LLP, Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: September 4, 2002.

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

Statement of Answer filed by Respondent Nix on or about: November 22, 2002.

Respondent Nix did not file an executed Uniform Submission Agreement.

Statement of Answer filed by Respondents PW and Kloess on or about: December 4, 2002.

Respondent PW signed the Uniform Submission Agreement: September 26, 2002.

Respondent Kloess signed the Uniform Submission Agreement: September 27, 2002.

Notice of name change from UBS PaineWebber Inc. to UBS Financial Services, Inc. filed on or about: June 16, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: misuse, misappropriation and conversion of assets; breach of fiduciary duty; negligence; violations of NASD Conduct Rules and NYSE rules; violations of Alabama law; unauthorized trading; and, breach of trust. The causes of action relate to the purchase and sale of BMC calls, 30-year treasury calls, S&P index puts and shares of Arakis Energy Corp. in Claimants' accounts.

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

RELIEF REQUESTED

Claimants requested the sum of \$1,492,663.00, plus interest in an amount allowable by law, together with \$500,000.00 as compensation for Claimants' emotional and financial distress.

Respondents requested an award in their favor as to all claims asserted by Claimants, together with the costs of this proceeding, attorneys' fees and any other, further, or different relief to which Respondents may be entitled.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Nix did not file with NASD Dispute Resolution 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 Panel on all issues submitted.

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

On or about December 19, 2003, the parties filed with NASD Dispute Resolution an Agreed Order Relating to Arbitration Award and Order of Expungement wherein the parties moved for expungement of all references to this arbitration from the registration records of Respondents Kloess and Nix maintained by the Central Registration Depository ("CRD") of NASD.

AWARD

After considering the pleadings, and the Agreed Order Relating to Arbitration Award and Order of Expungement, the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Claimants have dismissed all claims against the individual Respondents Kloess and Nix with prejudice. Neither Respondent Kloess or Nix have paid or agree to pay any sum in connection with being dismissed from this case. Respondents Nix and Kloess are not being asked to contribute in any way to the settlement.

Claimants have acknowledged that shortly before the arbitration in the above-styled matter was set to go forward, Claimants determined that, notwithstanding their belief that the case against the corporate Respondent was well founded, the case against Respondents Kloess and Nix was without sufficient legal or factual justification. The case settled shortly thereafter.

The Panel recommends the expungement of all references to the above captioned arbitration from Respondents Kloess and Nix' registration records maintained by the NASD CRD, with the

understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Kloess and Nix 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 Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$500.00

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, the member firm is 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 adjournment fees were incurred 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.

No injunctive relief fees were incurred 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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

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

Pre-hearing conferences:	April 1, 2003	1 session
	May 1, 2003	1 session
	August 7, 2003	1 session

Total Forum Fees = \$3,600.00

The Panel has assessed \$1,800.00 of the forum fees jointly and severally to Claimants.
The Panel has assessed \$1,800.00 of the forum fees jointly and severally to Respondents.

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 in this matter.

FEE SUMMARY

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$500.00
Forum Fees	= \$1,800.00

Total Fees	= \$2,300.00
Less payments	= \$1,700.00

Balance Due NASD Dispute Resolution	= \$600.00
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Respondent PW is solely liable for:

Member Fees	= \$8,550.00
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Total Fees	= \$8,550.00
Less payments	= \$8,550.00

Balance Due NASD Dispute Resolution	= \$0.00
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Respondents are jointly and severally liable for:

Forum Fees	= \$1,800.00
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Total Fees	= \$1,800.00
Less payments	= \$0.00

Balance Due NASD Dispute Resolution	= \$1,800.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Joseph Carlisi, Esq.	-	Public Arbitrator, Presiding Chair
Harriet H. Harris, Esq.	-	Public Arbitrator

Gary Francis Forte

Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/_____
Joseph Carlisi, Esq.
Public Arbitrator, Presiding Chair

Signature Date

_____/S/_____
Harriet H. Harris, Esq.
Public Arbitrator

Signature Date

_____/S/_____
Gary Francis Forte
Non-Public Arbitrator

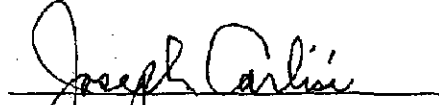
Signature Date

January 28, 2004
Date of Service (For NASD Dispute Resolution office use only)

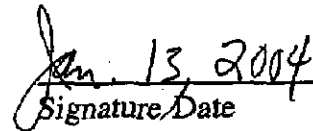
Gary Francis Forte

Non-Public Arbitrator

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Joseph Carlisi, Esq.
Public Arbitrator, Presiding Chair



Signature Date

Harriet H. Harris, Esq.
Public Arbitrator

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Non-Public Arbitrator

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Joseph Carlisi, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Harriet H. Harris
Harriet H. Harris, Esq.
Public Arbitrator

1/8/04
Signature Date

Gary Francis Forte
Non-Public Arbitrator

Signature Date

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Non-Public Arbitrator

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Joseph Carlisi, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Harriet H. Harris, Esq.
Public Arbitrator

Signature Date



Gary Francis Forte
Non-Public Arbitrator

1-05-04

Signature Date

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