

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

UBS Paine Webber, Inc.

and

Case Number: 02-05808

Hearing Site: Dallas, Texas

Name of Respondent

Michael Hernandez

NATURE OF CASE

Member v. Associated Person

REPRESENTATION OF PARTIES

UBS PaineWebber Inc. ("PaineWebber") was represented by Brent A. Burns, Esq. Of the law firm Davidson, Manchel & Brennan, LLP located in Northvale, New Jersey.

Michael Hernandez ("Hernandez ") was *pro se*.

CASE INFORMATION

The Statement of Claim was filed on or about October 3, 2002. The Uniform Submission Agreement of Claimant was signed on or about July 18, 2002.

Respondent Hernandez filed a Statement of Answer on or about November 27, 2002. Respondent Hernandez signed the Uniform Submission Agreement on or about April 15, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: Breach of employment contract and failure to repay promissory note.

Respondent denied the allegations of the Claim and asserted that Claimant failed to meet all conditions precedent to collect on the Note.

RELIEF REQUESTED

In the Statement of Claim, Claimant PaineWebber requested:

Actual/Compensatory Damages

\$135, 499.59

Interests

unspecified

Attorney's Fees
Other Monetary Relief

unspecified
Unspecified

OTHER ISSUES CONSIDERED & DECIDED

This case settled and Claimant UBS Painewebber, Inc. and Respondent Michael Hernandez have executed a Settlement Agreement and Release.

This Stipulated Award was prepared, in part, based on a stipulated award document submitted by Claimant UBS Painewebber, Inc and Respondent Michael Hernandez.

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. In either case, the parties have agreed to receive conformed copies of the award while the originals remain on file with the NASD Dispute Resolution (the "NASD").

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 Michael Hernandez agrees to pay UBS Painewebber Inc. One Hundred and Thirty Five Thousand Dollars and No Cents (\$135,500.00). Respondent Michael Hernandez has agreed to pay the following payments: Three Thousand Dollars and No Cents (\$3,000.00) by June 10, 2004 and One Hundred and Thirty Two Thousand, Five Hundred Dollars and No Cents (\$132,500.00) to Claimant UBS Painewebber, Inc. by May 10, 2005; The payment terms of this Award may only be modified in writing signed by both parties.
- 2.) Respondent Michael Hernandez waves any defense, claim or counterclaim against UBS for any matter from the beginning of time to today's date.
- 3.) The parties shall each bear their own costs and expenses incurred in this matter.
- 4.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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 = \$1000.00

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 person at the time of the events giving rise to the dispute. In this matter, the member firm is UBS Painewebber, Inc.

Member surcharge = \$1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$2,750.00

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:

One (1) Pre-hearing session with the Panel	x \$1,125.00	= \$1,125.00
Pre-hearing Conference:	January 12, 2004 1 session	
One (1) Regular Hearing Session with the Panel	x \$1,125.00	= \$1,125.00
Regular hearing Session:	May 11, 2004 1 session	
Total Forum Fees		= \$2,250.00

The Arbitration Panel has assessed \$2,250.00 of the forum fees to Claimant UBS Painewebber, Inc.

Fee Summary

Claimant UBS Painewebber is liable for:

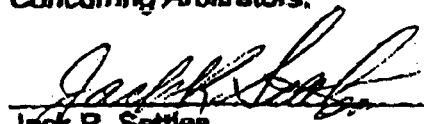
Initial Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00
Forum Fees	= \$2,250.00
Total Fees	= \$8,450.00
Less payments	= \$8,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Jack R. Settles - Non-Public Arbitrator, Presiding Chair
Robert E. Behrendt - Non-Public Arbitrator
Nichole C. Ake - Non-Public Arbitrator

Concurring Arbitrators:



Jack R. Settles
Public Arbitrator, Presiding Chairperson

8-14-04

Signature Date

Robert E. Behrendt
Public Arbitrator

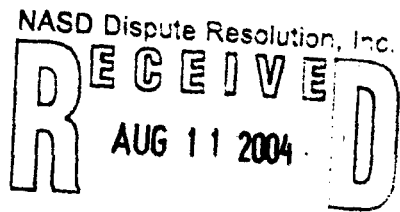
Signature Date

Nichole C. Ake
Non-Public Arbitrator

Signature Date

8/24/04 

Date of Service (For NASD office use only)



ARBITRATION PANEL

Jack R. Settles – Public Arbitrator, Presiding Chair
Robert E. Behrendt - Public Arbitrator
Nichole C. Ake – Non-Public Arbitrator

Concurring Arbitrators:

Jack R. Settles
Public Arbitrator, Presiding Chairperson

Robert E. Behrendt
Public Arbitrator

Nichole C. Ake
Non-Public Arbitrator

8/24/04 *NCA*
Date of Service (For NASD office use only)

Signature Date

8/10/04

Signature Date

Signature Date

NASD Dispute Resolution
Arbitration No. 02-5808
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ARBITRATION PANEL

Jack R. Settles – Industry Arbitrator, Presiding Chair
Robert E. Behrendt – Industry Arbitrator
Nichole C. Clark – Industry Arbitrator


Concurring Arbitrators:

Jack R. Settles
Industry Arbitrator, Presiding Chairperson

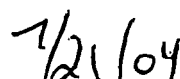
Signature Date

Robert E. Behrendt
Industry Arbitrator

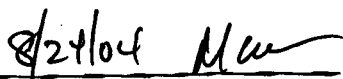
Signature Date



Nichole C. Clark
Industry Arbitrator



Signature Date



Date of Service (For NASD office use only)