
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Leonard L. Levenstein

Case Number: 02-06689

Names of the Respondents
UBS PaineWebber, Inc. and Michael S. Bell

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For Leonard L. Levenstein, hereinafter referred to as "Claimant": Jeffrey P. Shapiro, Esq., Shapiro Ramos, P.A., Miami, Florida.

For Respondent UBS PaineWebber, Inc., hereinafter referred to as "UBS": Arthur W. Hahn, Esq., Christian Kemnitz, Esq. and Jason P. Shaffer, Esq., Katten Muchin Zavis Rosenman, Chicago, Illinois.

For Respondent Michael S. Bell, hereinafter referred to as "Bell": Steven M. Malina, Esq., Ungaretti & Harris, Chicago, Illinois until his withdrawal of counsel on or about February 13, 2004. Thereafter, Respondent Bell appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: November 6, 2002.

Claimant signed the Uniform Submission Agreement: October 16, 2002.

Statement of Answer filed by Respondent Bell on or about: December 20, 2002.

Respondent Bell signed the Uniform Submission Agreement: December 28, 2002.

Answer and Motion to Dismiss filed by Respondent UBS on or about: January 17, 2003.

Respondent UBS signed the Uniform Submission Agreement: April 25, 2003.

Amended Answer to Statement of Claim filed by Respondent Bell on or about: June 12, 2003.

Response to Respondent UBS' Motion to Dismiss filed by Claimant on or about: July 18, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: (1) violation of the rules of the NASD and the NYSE; (2) violation of the Florida Securities and Investor Protection Act; (3) violation of the Investment Adviser's Act of 1940; (4) breach of fiduciary duty; (5) violation of Florida common law regarding negligence, gross negligence and negligent supervision; and, (6) unsuitability. The causes of action relate to trading involving shares of WEBB Interactive Services and Waters Instruments stock in Claimant's account.

Unless specifically admitted in their Answers, Respondents UBS and Bell denied the allegations of wrongdoing set forth in the Statement of Claim and asserted the following defenses: failure to

state a claim for relief; the claims were barred under the equitable doctrines of estoppel, laches, waiver, or unclean hands; the claims were barred by the applicable statutes of limitation; the claims were barred based on ratification; the claims were barred because Claimant failed to mitigate his damages; and, the claims were barred to the extent they sought recovery beyond Claimant's actual damages. In addition, Respondent UBS asserted a Motion to Dismiss the Statement of Claim on the following bases: Claimant alleged no basis for a claim of breach of fiduciary duty or a claim under the Investment Advisers Act of 1940; and, Claimant's contractual agreement with Respondent UBS required the application of New York law and therefore his claims under Florida law should be dismissed.

In response to the Motion to Dismiss, Claimant denied the assertions therein.

RELIEF REQUESTED

Claimant requested total compensatory damages in the amount of \$435,823.00, pre- and post-award interest, punitive damages, attorney's fees and costs.

Respondents UBS and Bell requested dismissal of the Statement of Claim in its entirety, expungement of the claim from Respondent Bell's NASD Central Registration Depository ("CRD") records, costs and expenses.

OTHER ISSUES CONSIDERED AND DECIDED

On or about May 8, 2003, the Panel issued an order which directed Respondent Bell to file an Amended Answer on or before May 30, 2003.

On or about July 28, 2003, the Panel issued an order which denied Respondent UBS' Motion to Dismiss.

On or about February 3, 2004, Claimant advised NASD Dispute Resolution that this matter had settled.

On or about June 22, 2004, the parties submitted a proposed Stipulated Award with a request that the Panel enter a Stipulated Award expunging this matter from Respondent Bell's NASD CRD records.

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

AWARD

After considering the pleadings, the proposed Stipulated Award and the record in this matter, but without making any findings of fact or conclusions of law, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's claims, each and all, are dismissed, with prejudice.

The parties shall each bear their own attorney's fees and costs.

The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Michael Bell's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Michael Bell must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

Any requests for relief not specifically enumerated, including punitive damages and attorneys' fees, are denied, with prejudice.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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 = \$ 300.00

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 UBS PaineWebber, Inc. is a party.

Member surcharge = \$1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,750.00

Adjournment Fees

Adjournment granted during these proceedings for which fees were assessed:

December 2-5, 2003, adjournment requested by Respondent UBS = \$ 1,125.00

The Panel has assessed \$375 of the adjournment fees to Claimant.

The Panel has assessed \$375 of the adjournment fees to Respondent UBS.

The Panel has assessed \$375 of the adjournment fees to Respondent Bell.

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 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 @ \$1,125.00	= \$1,125.00
Pre-hearing conference: May 8, 2003 1 session	
Total Forum Fees	= \$1,125.00

The Panel has assessed \$562.50 of the forum fees to Claimant.
The Panel has assessed \$281.25 of the forum fees to Respondent UBS.
The Panel has assessed \$281.25 of the forum fees to Respondent Bell.

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

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 375.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 1,237.50
Less payments	= \$ 1,237.50
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent UBS is solely liable for:

Member Fees	= \$ 5,200.00
Adjournment Fee	= \$ 375.00
Forum Fees	= \$ 281.25
Total Fees	= \$ 5,856.25
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 656.25

Respondent Bell is solely liable for:

Adjournment Fee	= \$ 375.00
Forum Fees	= \$ 281.25
Total Fees	= \$ 656.25
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 656.25

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

ARBITRATION PANEL

Stan West	-	Public Arbitrator, Presiding Chairperson
Stuart J. McGregor, Esq.	-	Public Arbitrator
Leon J. Steiner	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

08/30/04

Stan West
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

09/04/04

Stuart J. McGregor, Esq.
Public Arbitrator

Signature Date

/s/

08/30/04

Leon J. Steiner
Non-Public Arbitrator

Signature Date

09/16/04

Date of Service (For NASD Dispute Resolution office use only)

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

ARBITRATION PANEL

Stan West	-	Public Arbitrator, Presiding Chairperson
Stuart J. McGregor, Esq.	-	Public Arbitrator
Leon J. Steiner	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Stan West
Public Arbitrator, Presiding Chairperson

Aug. 30, 2004
Signature Date

Stuart J. McGregor, Esq.
Public Arbitrator

Signature Date

Leon J. Steiner
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

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ARBITRATION PANEL

Stan West	-	Public Arbitrator, Presiding Chairperson
Stuart J. McGregor, Esq.	-	Public Arbitrator
Leon J. Steiner	-	Non-Public Arbitrator

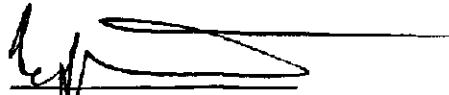
Concurring Arbitrators' Signatures

Stan West
Public Arbitrator, Presiding Chairperson

Signature Date

Stuart J. McGregor, Esq.
Public Arbitrator

Signature Date



Leon J. Steiner
Non-Public Arbitrator

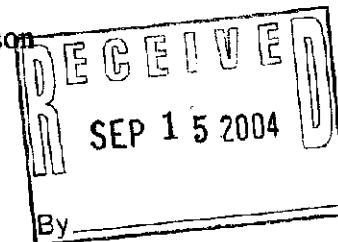
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Signature Date

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ARBITRATION PANEL

Stan West	-	Public Arbitrator, Presiding Chairperson
Stuart J. McGregor, Esq.	-	Public Arbitrator
Leon J. Steiner	-	Non-Public Arbitrator



Concurring Arbitrators' Signatures

Stan West
Public Arbitrator, Presiding Chairperson

A handwritten signature in dark ink, appearing to read "Stuart J. McGregor", written over a horizontal line.

Stuart J. McGregor, Esq.
Public Arbitrator

Signature Date

9/14/04
Signature Date

Leon J. Steiner
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)