

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Donald E. Anders, IRA and Nancy Anders, IRA, Claimants v. UBS PaineWebber, Inc. and Angeli Forster, Respondents

Case Number: 02-06831

Hearing Site: San Diego, California

Nature of the Dispute:

Customer vs. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

Arthur S. Leider
Investors Arbitration Specialists, Inc.
San Diego, California

For Respondents:

Robert H. Logan, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed: November 8, 2002

Amended Statement of Claim filed: June 9, 2003

Second Amended Statement of Claim filed: November 29, 2003

Claimant Donald E. Anders, IRA's Uniform Submission Agreement signed: November 5, 2002

Statement of Answer to Statement of Claim filed by Respondent UBS PaineWebber, Inc.:
January 28, 2003

Joint Statement of Answer to Amended Statement of Claim filed by Respondents UBS
PaineWebber, Inc. and Angeli Forster: September 8, 2003

Respondent UBS PaineWebber, Inc.'s Uniform Submission Agreement signed:
December 27, 2002

CASE SUMMARY

In his Initial Statement of Claim, Claimant Donald E. Anders, IRA alleged breach of fiduciary duty, negligence, fraudulent misrepresentations, omissions, and suitability.

In their Amended Statement of Claim, Claimants Donald E. Anders, IRA and Nancy Anders, IRA alleged breach of fiduciary duty, negligence, fraudulent misrepresentations, suitability, and negligent supervision.

In their Second Amended Statement of Claim, Claimant Donald E. Anders, IRA alleged breach of fiduciary duty, negligence, fraudulent misrepresentations, suitability, negligent supervision, and constructive fraud. The dispute involved the purchase and/or sale of unspecified mutual funds.

Respondent UBS PaineWebber, Inc. denied the allegations of wrongdoing set forth in the Claimant Donald E. Anders, IRA's Statement of Claim. Respondents UBS PaineWebber, Inc. and Angeli Forster denied the allegations of wrongdoing set forth in Claimants Donald E. Anders, IRA and Nancy Anders, IRA's Amended Statement of Claim. Respondents UBS PaineWebber, Inc. and Angeli Forster denied the allegations of wrongdoing set forth in the Claimant Donald E. Anders, IRA's Second Amended Statement of Claim

RELIEF REQUESTED

In his Initial Statement of Claim, Claimant Donald E. Anders, IRA requested compensatory damages in the amount of \$250,000.00, punitive damages in the amount of \$250,000.00, pre-award and post-award interest, representation fees, and arbitration costs.

In the Amended Statement of Claim, Claimants Donald E. Anders, IRA and Nancy Anders, IRA requested compensatory damages in the amount of \$250,000.00, punitive damages in the amount of \$250,000.00, pre-award and post-award interest, representation fees, and arbitration costs.

In his Second Amended Statement of Claim, Claimant Donald E. Anders, IRA requested compensatory damages in the amount of \$250,000.00, punitive damages in the amount of \$250,000.00, pre-award and post-award interest, representation fees, and arbitration costs.

Respondents requested dismissal of the Claimants' Statements of Claim in their entirety, attorney's fees, and arbitration costs. Additionally, Respondent Angeli Forster requested that all references to this matter be expunged from her Central Registration Depository record.

OTHER ISSUES CONSIDERED AND DECIDED

On November 3, 2002, Claimants and Claimants' representative signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On April 7, 2003, Respondent UBS PaineWebber, Inc.'s counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimants shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On July 24, 2003, the Panel granted Claimants' Motion to Amend the Statement of Claim.

On November 10, 2003, NASD received dismissal with prejudice of claims against Respondent Angeli Forster.

On December 4, 2003, NASD Dispute Resolution received dismissal with prejudice of claims by Claimant Nancy Anders, IRA against Respondent UBS PaineWebber, Inc.

At the hearing, the Panel granted Claimants' Motion to File a Second Amended Statement of Claim.

Claimant Nancy Anders, IRA did not file a Uniform Submission Agreement. However, the NASD Code of Arbitration Procedure binds Claimant Nancy Anders, IRA.

Respondent Angeli Forster did not file with the NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and having answered the claim, is bound by the determination of the Panel on all issues submitted.

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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm UBS PaineWebber, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,750.00</u>
Total Member Fees	= \$ 5,200.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session = \$ 1,125.00
Pre-hearing conference: April 23, 2003 1 session

Five (5) Hearing sessions @ \$1,125.00/session = \$ 5,625.00
Hearings: December 9, 2003 2 sessions
December 10, 2003 3 sessions

Total Forum Fees = \$ 6,750.00

The Panel assessed \$6,750.00 of the forum fees to Respondent UBS PaineWebber, Inc.

Fee Summary

1. Claimants Donald E. Anders, IRA and Nancy Anders, IRA are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Less payments</u>	= \$(1,425.00)
Refund Due Claimants	= \$(1,125.00)

2. Respondent UBS PaineWebber, Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	<u>= \$ 6,750.00</u>
Total Fees	= \$11,950.00
<u>Less payments</u>	<u>= \$(5,200.00)</u>
Balance Due NASD Dispute Resolution	= \$ 6,750.00

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

ARBITRATION PANEL

Ronald O. Bub

Public Arbitrator, Presiding Chair

Daniel B. MacLeod, Esq.

Public Arbitrator

Lisa M. Roth

Non-Public Arbitrator

Concurring Arbitrators' Signatures



Ronald O. Bub
Chair, Public Arbitrator

12/17/03
Signature Date

Daniel B. MacLeod, Esq.
Public Arbitrator

Signature Date

Lisa M. Roth
Non-Public Arbitrator

Signature Date

12/17/03
Date of Service

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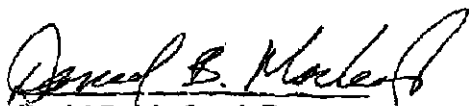
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Public Arbitrator

Signature Date



Lisa M. Roth
Non-Public Arbitrator

12/18/03

Signature Date

12/17/03

Date of Service