

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants:

Rahim Amir Mamori and
Betty Lou Mamori

Case Number: 02-07797

Hearing Site: Houston, Texas

Names of the Respondents:

UBS Financial Services, Inc., Ali Fahr, and
Ahmad Fakhr

NATURE OF DISPUTE

Customers v. Member Firm and Associated Persons

REPRESENTATION OF PARTIES:

Rahim Amir Mamori and Betty Lou Mamori ("Claimants") were represented by Christa Samaniego, Esq., and Carmen Samaniego, Esq., Law Offices of Christa Samaniego, San Antonio, Texas.

UBS Financial Services, Inc., ("UBS"), Ali Fahr, ("Fahr") and Ahmad Fakhr, ("Fakhr") hereinafter referred to as "Respondents," were represented by Jacks C. Nickens, Esq. and Paul D. Flack, Esq., Nickens, Keeton, Lawless, Farrell & Flack, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about December 13, 2002. The Uniform Submission Agreement was filed by Claimants on or about December 13, 2002.

The Joint Statement of Answer was filed by Respondents, UBS Financial Services, Inc., Ali Fahr and Ahmad Fakhr, on or about March 31, 2003. The Uniform Submission Agreements were filed by Respondents, UBS Financial Services, Inc., Ali Fahr and Ahmad Fakhr on or about March 31, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: negligence, failure to supervise, suitability and omission of facts. Claimants further alleged that Respondents were negligent in their actions and did not fulfill their contractual obligations of providing suitable financial services and failed to diversify Claimants' portfolio, failed to inform and respond to inquiries of the Claimants, and failed to adhere to Claimants' risk profile.

Respondents, UBS, Fahr and Fakhr denied the allegations made in the Statement of Claim and asserted defenses including the following: Claimants' account was at UBS for only one year and Claimants admitted that when the account came to UBS it had an

"unbalanced sector allocation with a large concentration in high-tech securities;" Claimants' losses resulted from market declines, primarily in securities they

transferred in from another brokerage firm; Claimants' return objective was "capital appreciation" with a risk profile of "primary:moderate" and "secondary:aggressive/speculative;" Respondents discouraged Claimants from actively trading and encouraged Claimants to consider longer-term objectives, but Claimants refused that advice.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested:

Actual/Compensatory Damages	\$310,000.00
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted be denied and dismissed in their entirety and that an award recommending an expungement of the claims asserted against Ali Fahr and Ahmad Fakhr be entered by the panel.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered. In either case, the parties have agreed to receive conformed copies of the stipulated award while the originals remain on file with NASD Dispute Resolution ("NASD").

AWARD

Pursuant to the parties' agreement, and after considering the parties' submissions and representations, but without making any finding of fact or conclusions of law, the undersigned arbitrators order as follows:

1. Claimants' claims against UBS, Fahr, and Fakhr are hereby dismissed with prejudice;
2. The Panel recommends the expungement of all references to the above captioned arbitration from Respondents', Ali Fahr's and Ahmad Fakhr's, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents, Ali Fahr and Ahmad Fakhr, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
4. Any and all relief not specifically addressed herein is 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	\$ 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 persons at the time of the events giving rise to the dispute. UBS Financial Services, Inc., Inc. is a member firm.

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

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:

Two (2) Pre-hearing sessions with Panel x \$1,125.00	= \$ 2,250.00
Pre-hearing conferences: August 21, 2003 February 13, 2004	
<hr/> Total Forum Fees	<hr/> = \$ 2,250.00

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Claimants.

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Respondents, UBS, Fahr and Fakhr.

FEE SUMMARY

Claimants, Rahim Amir and Betty Lou Mamori, are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$1,125.00</u>
Total Fees	= \$1,425.00
<u>Less Payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, UBS Financial Services, Inc., Inc., is liable for:

<u>Member Fees</u>	<u>= \$5,200.00</u>
Total Fees	= \$5,200.00
<u>Less Payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, UBS Financial Services, Inc., Inc., Ali Fahr and Ahmad Fakhr, are jointly and severally liable for:

Forum Fees	= \$1,125.00
Total Fees	= \$1,125.00
Less Payments	= \$1,125.00
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

Steve R. Neuman – Public Arbitrator, Presiding Chairperson
Paul E. Jones, Jr. - Public Arbitrator
Robert E. Otto – Non-Public Arbitrator

Concurring Arbitrators' Signatures

Steve R. Neuman
Public Arbitrator, Presiding Chairperson

Signature Date

/s/ Paul E. Jones, Jr.
Paul E. Jones, Jr.
Public Arbitrator

September 22, 2004
Signature Date

/s/ Robert E. Otto
Robert E. Otto
Non-Public Arbitrator

September 22, 2004
Signature Date

September 24, 2004
Date of Service
(For NASD office use only)

Respondents, UBS Financial Services, Inc., Inc., Ali Fakh and Ahmad Fakh, are jointly and severally liable for:

Forum Fees	= \$1,125.00
Total Fees	= \$1,125.00
Less Payments	= \$1,125.00
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.

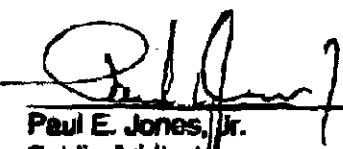
ARBITRATION PANEL

Steve R. Neuman - Public Arbitrator, Presiding Chairperson
Paul E. Jones, Jr. - Public Arbitrator
Robert E. Otto - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Steve R. Neuman
Public Arbitrator, Presiding Chairperson

Signature Date



Paul E. Jones, Jr.
Public Arbitrator

22 Sept. 2004

Signature Date

Robert E. Otto
Non-Public Arbitrator

Signature Date

Date of Service
(For NASD office use only)

Respondents, UBS Financial Services, Inc., Inc., Ali Fahr and Ahmad Fakhr, are jointly and severally liable for:

Forum Fees	= \$1,125.00
Total Fees	= \$1,125.00
Less Payments	= \$1,125.00
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

Steve R. Neuman – Public Arbitrator, Presiding Chairperson
Paul E. Jones, Jr. - Public Arbitrator
Robert E. Otto – Non-Public Arbitrator

Concurring Arbitrators' Signatures

Steve R. Neuman
Public Arbitrator, Presiding Chairperson

Signature Date

Paul E. Jones, Jr.
Public Arbitrator

Signature Date



Robert E. Otto
Non-Public Arbitrator

9/22/04

Signature Date

Date of Service
(For NASD office use only)

NASD Dispute Resolution
Arbitration No. 02-07797
Stipulated Award
Page 4 of 4

Respondents, UBS Financial Services, Inc., Inc., Ali Fahr and Ahmad Fakhr, are jointly and severally liable for:

Forum Fees	= \$1,125.00
Total Fees	= \$1,125.00
Less Payments	= \$1,125.00
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

Steve R. Neuman - Public Arbitrator, Presiding Chairperson
Paul E. Jones, Jr. - Public Arbitrator
Robert E. Otto - Non-Public Arbitrator

Concurring Arbitrators' Signatures


Steve R. Neuman
Public Arbitrator, Presiding Chairperson


Signature Date

Paul E. Jones, Jr.
Public Arbitrator

Signature Date

Robert E. Otto
Non-Public Arbitrator

Signature Date

Date of Service
(For NASD office use only)