

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Brett Richman, Claimant v. Kelly Dougherty and UBS Financial Services Inc. f.k.a. UBS
PaineWebber, Inc., Respondents

Case Number: 02-07846

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

Daniel W. Dunbar, Esq.
Law Offices of Daniel W. Dunbar
Torrance, California

For Respondents:

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

CASE INFORMATION

Statement of Claim filed: December 26, 2002

Claimant's Uniform Submission Agreement signed: December 9, 2002

Joint Statement of Answer filed by Respondents: April 17, 2003

Respondent Kelly Dougherty's Uniform Submission Agreement signed: April 16, 2003

Respondent UBS Financial Services Inc. f.k.a. UBS PaineWebber, Inc.'s Uniform Submission
Agreement signed: April 15, 2003

CASE SUMMARY

Claimant alleged negligence, breach of contract, breach of fiduciary duty, fraud, misrepresentations, omission of facts, and unsuitability, involving various unspecified securities.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$500,000.00 in compensatory damages, \$400,000.00 in punitive damages, unspecified opportunity costs, excess commission and transaction charges, interest at 10% per year, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, and costs, including attorney's fees. Respondent Kelly Dougherty requested expungement of his record maintained by the Central Registration Depository.

OTHER ISSUES CONSIDERED AND DECIDED

On June 25, 2003, Claimant and Claimant'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.

On July 1, 2003, Respondents' 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 Claimant 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.

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) Respondent Kelly Dougherty is liable to and shall pay Claimant the sum of \$ 27,234.90 in compensatory damages.
- 2) Respondent UBS Financial Services Inc. f.k.a. UBS PaineWebber, Inc. is liable to and shall pay Claimant the sum of \$ 245,114.10 in compensatory damages.
- 3) Respondent UBS Financial Services Inc. f.k.a. UBS PaineWebber, Inc. is liable to and shall pay Claimant the sum of \$ 41,942.00 in interest.
- 4) Respondent UBS Financial Services Inc. f.k.a. UBS PaineWebber, Inc. is liable to and shall pay Claimant the sum of \$ 5,000.00 in expert fees.
- 5) The parties shall bear their respective costs, including attorney's fees.
- 6) 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	= \$ 375.00
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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 Financial Services Inc. f.k.a. UBS PaineWebber, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 4,000.00
Total Member Fees	= \$ 7,000.00

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 Chair/Panel. The following fees are assessed:

1 Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference: August 5, 2003 1 session	
4 Hearing sessions @ \$1,200.00/session	= \$ 4,800.00
Hearings: January 12, 2004 2 sessions	
January 13, 2004 2 sessions	
Total Forum Fees	= \$ 6,000.00

The Panel assessed \$ 6,000.00 of the forum fees to UBS Financial Services Inc. f.k.a. UBS PaineWebber, Inc.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Less payments</u>	<u>= \$(1,575.00)</u>
Refund Due Claimant	= \$(1,200.00)
2. Respondent UBS Financial Services Inc. f.k.a. UBS PaineWebber, Inc. is charged with the following fees and costs:

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	<u>= \$ 6,000.00</u>
Total Fees	= \$13,000.00
<u>Less payments</u>	<u>= \$(7,000.00)</u>
Balance Due NASD Dispute Resolution	= \$ 6,000.00

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

Christopher Rolin, Esq.	-	Public Arbitrator, Presiding Chair
Carlton R. Robinson, Sr.	-	Public Arbitrator
John B. Wells	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Christopher Rolin, Esq.
Chair, Public Arbitrator

Signature Date

Carlton R. Robinson, Sr.
Public Arbitrator

Signature Date

John B. Wells
Non-Public Arbitrator

Signature Date

Date of Service

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Chair, Public Arbitrator

Jan 16th 04
Signature Date

Carlton R. Robinson, Sr.
Public Arbitrator

Signature Date

John B. Wells
Non-Public Arbitrator

Signature Date

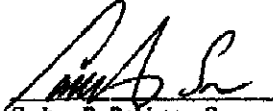
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Date of Service

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Carlton R. Robinson, Sr.
Public Arbitrator

Signature Date

1-16-04

Signature Date

John B. Wells
Non-Public Arbitrator

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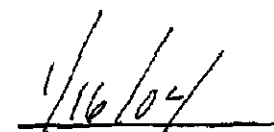
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