

**STIPULATED AWARD  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Names of Claimants

Dr. Robert J. Blair, Jill E. Blair, and  
Dr. Robert J. Blair, Inc. Profit Sharing Plan

and

Case Number: 03-00162  
Hearing Site: Detroit, Michigan

Names of Respondents

UBS PaineWebber, Inc., and  
William J. Hanrahan

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**NATURE OF CASE**

Customers v. Member and Associated Person

**REPRESENTATION OF PARTIES**

Dr. Robert J. Blair, Jill E. Blair, and Dr. Robert J. Blair, Inc. Profit Sharing Plan ("Claimants") were represented by David P. Meyer, Esq., David P. Meyer, Co., L.P.A., Columbus, Ohio.

UBS PaineWebber, Inc., ("UBS") and William Hanrahan ("Hanrahan"), hereinafter, collectively referred to as "Respondents," were represented by Christian T. Kemnitz, Esq., Katten Muchin Zavis Rosenman, Chicago, Illinois.

**CASE INFORMATION**

The Statement of Claim was filed on or about January 8, 2003. The Submission Agreement of Claimants was signed on or about January 3, 2003.

Respondents jointly filed a Statement of Answer on or about March 27, 2003. The Submission Agreement of UBS was signed on or about March 26, 2003. The Submission Agreement of Hanrahan was signed on March 25, 2003.

**CASE SUMMARY**

Claimants asserted the following causes of action: violations of the rules of the NASD and the NYSE; violations of the Federal Securities Exchange Act of 1934; violations of Ohio common law regarding fraud; negligence; breach of fiduciary duty; breach of contract; and respondeat superior; failure to supervise; unauthorized trading and suitability. The causes of action related to Claimants' allegations that Respondents wrongfully recommended and effectuated the purchase of various unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: failure to state a claim upon which relief can be granted; Claimants' claims are barred under the doctrines of estoppel, waiver, or ratification; assumption of risk; Claimants' claims failed to establish loss causation; Claimants' failed to mitigate damages; Claimants' claims are barred by the applicable statutes of limitations; Claimants' claims are barred to the extent they sought recovery beyond Claimant's actual damages.

### **RELIEF REQUESTED**

Claimants requested an award of approximately \$630,000.00 in compensatory damages, plus punitive and exemplary, interests, costs, attorneys' fees and any other relief the panel deemed appropriate.

Respondents requested that the claims asserted against them be dismissed with prejudice, that they be awarded legal fees, costs, and expenses, and expungement of all references of this arbitration from William J. Hanrahan's permanent registration records maintained by the NASD Central Registration Depository (CRD).

### **OTHER ISSUES CONSIDERED & DECIDED**

This case settled and Claimants and Respondents have executed a Settlement Agreement and Release.

The parties have agreed that a single arbitrator may execute the Stipulated Award. The Stipulated Award was prepared, in part, based on a proposed award document submitted by Respondents, UBS PaineWebber, Inc., and William J. Hanrahan.

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.) Claimants' claims, each and all, against Respondents, UBS PaineWebber, Inc., and William J. Hanrahan, are dismissed in their entirety with prejudice pursuant to the parties' Settlement Agreement;
- 2.) The Panel recommends the expungement of all references to the above-captioned arbitration from Respondent, William J. Hanrahan's registration's records maintained by the NASD Central Registration Depository ("CRD") with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent, William J. Hanrahan 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 relief not specifically enumerated, including punitive and exemplary 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 = \$ 375.00

#### **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	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

#### **Adjournment Fees**

Adjournments requested during these proceedings:

February 3-6, 2003, adjournment requested jointly = \$1, 200.00

#### **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 \$ 1,200.00	= \$1,200.00
Pre-hearing Conference: August 5, 2003	1 session	
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Total Forum Fees		= \$1,200.00

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Dr. Robert J. Blair, Jill E. Blair, and Dr. Robert J. Blair, Inc. Profit Sharing Plan.

The Arbitration Panel has assessed \$300.00 of the forum fees to UBS PaineWebber, Inc.

The Arbitration Panel has assessed \$300.00 of the forum fees to William J. Hanrahan.

### Fee Summary

Claimants, Dr. Robert J. Blair, Jill E. Blair, and Dr. Robert J. Blair, Inc. Profit Sharing Plan are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 600.00
<u>Total Fees</u>	<u>= \$1,575.00</u>
<u>Less payments</u>	<u>= \$1,575.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, UBS PaineWebber, Inc., is liable for:

Forum Fees	= \$ 300.00
Member Fees	= \$7,000.00
<u>Total Fees</u>	<u>= \$7,300.00</u>
<u>Less payments</u>	<u>= \$8,200.00</u>
Balance Refunded by NASD Dispute Resolution	= \$ 900.00

Respondent, William J. Hanrahan, is liable for:

Forum Fees	= \$ 300.00
<u>Total Fees</u>	<u>= \$ 300.00</u>
<u>Less payments</u>	<u>= \$ 300.00</u>
Balance due NASD Dispute Resolution	= \$ 0.00

Respondents, UBS PaineWebber, Inc., and William J. Hanrahan, are jointly and severally liable for:

Adjournment Fees	= \$ 600.00
<u>Total Fees</u>	<u>= \$ 600.00</u>
<u>Less payments</u>	<u>= \$ 600.00</u>
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.

### ARBITRATOR

Margaret A. Costello, Esq. - Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

/s/ Margaret A. Costello, Esq.  
Margaret A. Costello, Esq.  
Public Arbitrator, Presiding Chairperson

01/12/05  
Signature Date

01/12/05  
Date of Service (For NASD office use only)

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Balance due NASD Dispute Resolution	= \$ 0.00

Respondent, UBS PaineWebber, Inc., and William J. Hanrahan are jointly and severally liable for:

Adjournment Fees	= \$ 600.00
<u>Total Fees</u>	<u>= \$ 600.00</u>
<u>Less payments</u>	<u>= \$ 600.00</u>
Balance due NASD Dispute Resolution	= \$ 0.00

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### ARBITRATOR

Margaret A. Costello, Esq. - Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

Margaret A. Costello  
 Margaret A. Costello, Esq.  
 Public Arbitrator, Presiding Chairperson

12 January 2005  
 Signature Date

Date of Service (For NASD office use only)