

**STIPULATED AWARD  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Name of Claimant

Eric S. Krafft as Trustee for the Eric S. Krafft IRA

and

Case Number: 03-00494

Hearing Site: Chicago, IL

Names of Respondents

UBS PaineWebber, Inc., and  
Sandra Roberts

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**NATURE OF CASE**

Customer v. Member and Associated Person

**REPRESENTATION OF PARTIES**

Eric S. Krafft, Trustee for the Eric S. Krafft, IRA ("Claimant") was represented by Stuart R. Berkowitz, Esq., Platke & Berkowitz, L.L.P., Chicago, IL.

UBS PaineWebber, Inc., ("PaineWebber") and Sandra Roberts ("Roberts"), hereinafter collectively referred to as ("Respondents") were represented by Fritz E. Berckmueller, Esq., Katten, Muchin, Zavis, Rosenman, Chicago, IL:

**CASE INFORMATION**

The Statement of Claim was filed on or about January 22, 2003. Claimant signed the Uniform Submission Agreement on January 30, 2003.

Respondents PaineWebber and Roberts jointly filed a Statement of Answer on or about May 13, 2003.

Respondent PaineWebber signed the Uniform Submission Agreement on or about January 30, 2003.

Respondent Roberts signed the Uniform Submission Agreement on or about October 7, 2003.

**CASE SUMMARY**

Claimant asserted the following causes of actions: unsuitability and failure to supervise.

Unless specifically admitted in their Answer, Respondents PaineWebber and Roberts denied the allegations made in the Statement of Claim and asserted the following affirmative defenses: failure to state a claim for relief; the claims were barred under the equitable doctrines of estoppel, laches, waiver, ratification or unclean hands; the claims were barred by the applicable statutes of limitations; 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.

### **RELIEF REQUESTED**

Claimant requested an award of approximately \$1,000,000.00 in compensatory damages, plus punitive and exemplary damages, interest, costs, attorneys' fees, and any other relief the panel deemed appropriate.

Respondents PaineWebber and Roberts requested that the claims asserted against them be dismissed in their entirety with prejudice and that they be awarded reimbursement of all legal fees, costs, and expenses. Respondents also requested the expungement of all references to this arbitration from the records of Respondent Robert's registration records maintained by the NASD Central Registration Depository (CRD).

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

This case settled, and Claimant Eric S. Krafft and Respondents UBS PaineWebber, Inc., and Sandra Roberts have executed a Settlement Agreement and Release.

This Stipulated Award was prepared, in part, based on a proposed award document submitted by Respondents UBS PaineWebber, Inc., and Sandra Roberts.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD Dispute Resolution ("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.) Claimant's claims against Respondents UBS PaineWebber, Inc., and Sandra Roberts are hereby 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 Sandra Roberts' 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, Respondent Sandra Roberts 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.
- 4.) Any relief not specifically enumerated, including punitive 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 this proceeding:	
March 3 - March 5, 2004, adjournment requested by all parties	= \$1,200.00
Fee waived due to Mediation with NASD	

### **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: October 2, 2003	1 session	
<b>Total Forum Fees</b>		<b>= \$1,200.00</b>

The Arbitration Panel has assessed \$600.00 of the forum fees to Claimant Eric S. Krafft

The Arbitration Panel has assessed \$600.00 of the forum fees jointly and severally to Respondents UBS PaineWebber, Inc., and Sandra Roberts.

### **Fee Summary**

Claimant Eric S. Krafft is liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 600.00
<b>Total Fees</b>	<b>= \$ 975.00</b>
<b>Less payments</b>	<b>= \$ 975.00</b>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

Respondent UBS PaineWebber, Inc., is liable for:

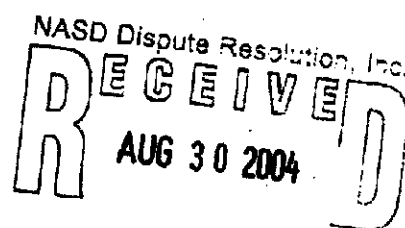
Member Fees	= \$7,000.00
<b>Total Fees</b>	<b>= \$7,000.00</b>
<b>Less payments</b>	<b>= \$7,000.00</b>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

Respondents UBS PaineWebber, Inc., and Sandra Roberts are jointly and severally liable for:

Forum Fees	= \$600.00
<b>Total Fees</b>	<b>= \$600.00</b>
<b>Less payments</b>	<b>= \$600.00</b>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

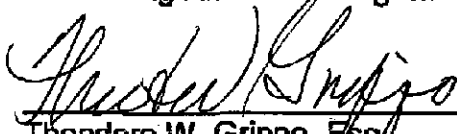
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

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**ARBITRATION PANEL**

Theodore W. Grippio, Esq. - Public Arbitrator, Presiding Chair  
Pamela A. Kentra, Esq. - Public Arbitrator  
Marian Margaret Head - Non-Public Arbitrator

**Concurring Arbitrators' Signatures:**

  
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Theodore W. Grippio, Esq.  
Public Arbitrator, Presiding Chairperson

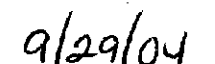
  
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Signature Date

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Pamela A. Kentra, Esq.  
Public Arbitrator

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Signature Date

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Marian Margaret Head  
Non-Public Arbitrator

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Signature Date

  
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Date of Service (For NASD office use only)

NASD Dispute Resolution  
Arbitration No. 03-00494  
Award Page 5 of 5

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Theodore W. Grippio, Esq. - Public Arbitrator, Presiding Chair  
Pamela A. Kentra, Esq. - Public Arbitrator  
Marian Margaret Head - Non-Public Arbitrator

**Concurring Arbitrators' Signatures:**

Theodore W. Grippio, Esq.  
Public Arbitrator, Presiding Chairperson



Pamela A. Kentra, Esq.  
Public Arbitrator

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Signature Date

8-24-04

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Signature Date

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Marian Margaret Head  
Non-Public Arbitrator

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Signature Date

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