

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Stanley Grant III, Claimant v. UBS Financial Services Inc. (f/k/a UBS PaineWebber Inc.),
Respondent

Case Number: 03-00703

Hearing Site: Seattle, Washington

Nature of the Dispute: Customer v. Member

REPRESENTATION OF PARTIES

For Claimant:

Lawrence L. Klayman, Esq.
Steven D. Toskes, Esq.
Klayman & Toskes, P.A.
Boca Raton, Florida

For Respondent:

Shont E. Miller, Esq.
George Garvey, Esq.
Munger, Tolles & Olson LLP
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: January 28, 2003

Claimant's Uniform Submission Agreement signed: January 23, 2003

Statement of Answer filed by Respondent UBS Financial Services Inc. (f/ka UBS PaineWebber Inc.): June 30, 2003

Respondent UBS Financial Services Inc.'s (f/k/a UBS PaineWebber Inc. and hereinafter "UBS Financial Services Inc.") Uniform Submission Agreement signed: February 18, 2003

CASE SUMMARY

Claimant alleged breach of fiduciary duty and contractual duties, constructive fraud, failure to supervise and control, negligence and gross negligence, violation of federal securities laws, NASD conduct rules, and NYSE conduct rules. Claimant's allegations concerned transactions in his margin account, they involved Microsoft stock options and the purchase and sale of Skytel, Citigroup, Intel, AOL, MCI Worldcom, and Pfizer as well as other stocks.

Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested \$503,805.00 in compensatory damages, unspecified punitive damages, post-judgment interest and costs, including attorney's fees.

Respondent requested dismissal of Claimant's Statement of Claim in its entirety, reimbursement of NASD forum fees and other fees paid in connection with the arbitration proceeding, assessment of all forum fees and costs against Claimant and costs.

OTHER ISSUES CONSIDERED AND DECIDED

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 prevails on all claims other than negligence. Respondent is liable to and shall pay Claimant Stanley Grant III the sum of \$237,338.00 in compensatory damages on Claimant's negligence claim.
- 2) Respondent shall reimburse Claimant Stanley Grant III \$375.00 for his initial claim filing fee.
- 3) With the exception of paragraph 2, the parties shall bear their respective costs, including attorney's fees.
- 4) 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. 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 or the parties and the Panel. The following fees are assessed:

One (1) pre-hearing conference session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: October 20, 2004 1 session	

One (1) pre-hearing conference session with the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference: November 6, 2003 1 session	

Eight (8) hearing sessions @ \$1,200.00/session	= \$9,600.00
Hearings: November 2, 2004 2 sessions	
November 3, 2004 2 sessions	
November 4, 2004 2 sessions	
November 5, 2004 2 sessions	

Total Forum Fees	= \$11,250.00
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The Panel assessed \$11,250.00 of the forum fees to Respondent.

Fee Summary

1. Claimant Stanley Grant III 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 Stanley Grant III	= \$(1,200.00)

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

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	<u>= \$11,250.00</u>
Total Fees	= \$18,250.00
<u>Less payments</u>	<u>= \$(7,000.00)</u>
Balance Due NASD Dispute Resolution	= \$11,250.00

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.

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ARBITRATION PANEL

David Gaba, Esq.

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Public Arbitrator, Presiding Chair

Paul R. Meyer

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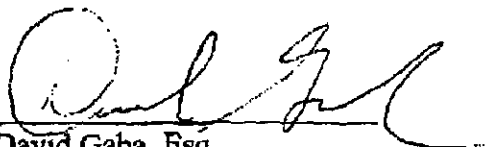
Public Arbitrator

Julie E. Gay

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Non-Public Arbitrator

Concurring Arbitrators' Signatures



David Gaba, Esq.
Chair, Public Arbitrator

11-8-04
Signature Date

Julie E. Gay
Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Arbitrator Paul R. Meyer dissents as to the finding of liability on the part of Respondent UBS Financial Services, Inc.

Paul R. Meyer
Public Arbitrator

Signature Date

11/9/04
Date of Service

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Paul R. Meyer
Julie E. Gay

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Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

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<i>Paul R. Meyer</i>	-	<i>Public Arbitrator</i>
<i>Julie E. Gay</i>	-	<i>Non-Public Arbitrator</i>

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Paul R. Meyer
Public Arbitrator

11-8-2004

Signature Date

11/9/04

Date of Service