

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Leslie Franyo and Diane Franyo, Claimants v. PaineWebber Incorporated n/k/a UBS Financial Services Inc., Financial West Group, and Robert V. Sessa, Respondents

Case Number: 03-00781

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers v. Members and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

Thomas C. Bradley, Esq.
Sinai, Schroeder, Mooney, Boetsch,
Bradley & Pace
Reno, Nevada

For Respondent PaineWebber Incorporated
n/k/a UBS Financial Services Inc.:

Donald S. Davidson, Esq.
UBS PaineWebber, Inc.
Weehawken, New Jersey

For Respondents Financial West Group
and Robert V. Sessa:

Michael J. Abbott, Esq.
Jones, Bell, Abbott, Fleming &
Fitzgerald L.L.P.
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: January 29, 2003

Claimants' Joint Uniform Submission Agreement signed: January 17, 2003

Joint Statement of Answer filed by Respondents Financial West Group and Robert V. Sessa:
May 5, 2003

Respondent PaineWebber Incorporated n/k/a UBS Financial Services Inc.'s Uniform Submission
Agreement signed: None Filed

Respondent Financial West Group's Uniform Submission Agreement signed: None Filed

Respondent Robert V. Sessa's Uniform Submission Agreement signed: None Filed

CASE SUMMARY

Claimants alleged unsuitability, fraud, deceit and omission of material fact, negligent misrepresentation, churning, breach of fiduciary duty, and failure to supervise. Claimants' allegations involved transactions in shares of Books-A-Million, Inc., Abovenet Communications, Digital Microwave Corp., Interplay Entertainment Corp., and K Tel Intl Inc. stocks.

Respondents Financial West Group and Robert V. Sessa denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested \$437,000.00 in compensatory damages, unspecified punitive damages, unspecified disgorgement, unspecified pre- and post-judgment interest, and costs, including attorney's fees.

Respondents Financial West Group and Robert V. Sessa requested dismissal of the Claimants' Statement of Claim in its entirety and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents PaineWebber Incorporated n/k/ UBS Financial Services, Inc., Financial West Group, and Robert V. Sessa did not file with the NASD Dispute Resolution properly executed submission agreements but are required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code"), and Respondents Financial West Group and Robert V. Sessa, having answered the claim are bound by the determination of the Panel on all issues submitted.

By notice dated August 16, 2003, Claimants dismissed with prejudice Respondent PaineWebber Incorporated n/k/a UBS Financial Services Inc.

On August 21, 2003, Claimants and Claimants' 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 September 5, 2003, Respondents Financial West Group and Robert V. Sessa's counsel signed a Waiver Agreement on Respondents' behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

By letter dated August 3, 2004, Claimants notified NASD Dispute Resolution of settlement of all claims against Respondents Financial West Group and Robert V. Sessa.

STIPULATION

Claimants and Respondents Financial West Group and Robert V. Sessa have entered into a confidential settlement agreement pursuant to which Claimants have agreed to dismiss their claims against those Respondents with prejudice and the parties have agreed to jointly request that an Award be issued expunging the references to this proceeding from the NASD Central Registration Depository records of Respondent Robert V. Sessa.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

STIPULATED AWARD

After considering the pleadings and the parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants and Respondents Financial West Group and Robert V. Sessa have entered into a confidential settlement agreement.
2. The Panel accepts the dismissal of each and every one of Claimants' claims against Respondents Financial West Group and Robert V. Sessa with prejudice.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Robert V. Sessa'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, Respondent Robert V. Sessa must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. The Parties shall bear their respective costs, including attorney's fees.
5. 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	= \$ 300.00
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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 PaineWebber Incorporated n/k/a UBS Financial Services Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Total Member Fees	= \$ 1,700.00

Accordingly, the member firm Financial West Group is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,750.00
Total Member Fees	= \$ 5,200.00

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: April 12, 2004 1 session

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session = \$ 1,125.00
Pre-hearing conference: December 18, 2003 1 session

Total Forum Fees	= \$ 1,575.00
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1. The Panel assessed \$787.50 of the forum fees jointly and severally to Claimants Leslie Franyo and Diane Franyo.
2. The Panel assessed \$281.25 of the forum fees to Respondent Financial West Group.
3. The Panel assessed \$281.25 of the forum fees to Respondent Robert V. Sessa.
4. The Panel assessed \$225.00 of the forum fees jointly and severally to Respondents Financial West Group and Robert V. Sessa.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Respondents Financial West Group and Robert V. Sessa
requested a copy of one (1) audiotape @ \$15.00 = \$ 15.00

Fee Summary

1. Claimants Leslie Franyo and Diane Franyo are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 787.50
Total Fees	= \$ 1,087.50
Hearing Session Deposit Retained pursuant to Rule 10332(f) of the Code	= \$ 337.50
Less payments	= \$ (1,425.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Financial West Group is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 281.25
Total Fees	= \$ 5,481.25
Less payments	= \$ (5,481.25)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Robert V. Sessa is charged with the following fees and costs:

Forum Fees	= \$ 281.25
Less Payments	= \$ (281.25)
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondents Financial West Group and Robert V. Sessa are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 225.00
Administrative Costs	= \$ 15.00
Total Fees	= \$ 240.00
Less Payments	= \$ (240.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

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

Mandel E. Himmelstein, Esq.

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Public Arbitrator, Presiding

Harold K. Hunt

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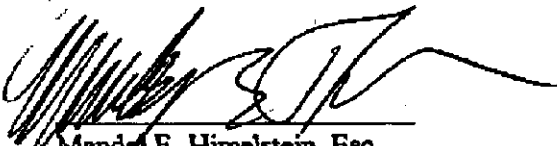
Public Arbitrator

Larry Haugaard

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Non-Public Arbitrator

Concurring Arbitrators' Signatures


Mandel E. Himmelstein, Esq.
Chair, Public Arbitrator

12/15/04
Signature Date

Harold K. Hunt
Public Arbitrator

Signature Date

Larry Haugaard
Non-Public Arbitrator

Signature Date

12/20/04
Date of Service

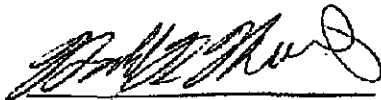
ARBITRATOR

Mandel E. Himmelstein, Esq.	-	Public Arbitrator, Presiding
Harold K. Hunt	-	Public Arbitrator
Larry Haugaard	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Mandel E. Himmelstein, Esq.
Chair, Public Arbitrator

Signature Date



Harold K. Hunt
Public Arbitrator

Dec. 16, 2004

Signature Date

Larry Haugaard
Non-Public Arbitrator

Signature Date

12/20/04
Date of Service

ARBITRATION PANEL

Mandel E. Himmelstein, Esq.

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Public Arbitrator, Presiding

Harold K. Hunt

-

Public Arbitrator

Larry Haugaard

-

Non-Public Arbitrator


Concurring Arbitrators' Signatures

Mandel E. Himmelstein, Esq.
Chair, Public Arbitrator

Signature Date

Harold K. Hunt
Public Arbitrator

Signature Date



Larry Haugaard
Non-Public Arbitrator

12-17-04

Signature Date

12/20/04

Date of Service