

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Karen Munk and Karen Munk IRA (Claimants) v. PaineWebber, Inc. n/k/a UBS
Financial Services, Inc. and Linda Koszalka (Respondents)

Case Number: 03-01839

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimants Karen Munk ("K. Munk") and Karen Munk IRA ("K. Munk IRA") hereinafter collectively referred to as "Claimants": Todd J. Krouner, Esq., Law Offices of Todd J. Krouner, Chappaqua, NY.

Respondents PaineWebber, Inc. n/k/a UBS Financial Services, Inc. ("UBS") and Linda Koszalka ("L. Koszalka") hereinafter collectively referred to as "Respondents": Noah M. Weissman, Esq., Bryan Cave, LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 13, 2003.

K. Munk signed the Uniform Submission Agreement: March 11, 2003.

Joint Statement of Answer filed by Respondents on or about: May 20, 2003.

UBS did not sign the Uniform Submission Agreement.

L. Koszalka did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: violation of state and federal securities laws; violation of Know Your Customer Rule; violation of NASD Rules of Fair Practice, Article III, Section 2; negligence; gross negligence; negligent misrepresentation; breach of fiduciary duty; and breach of contract. Claimants' claim involved TMPW stock options.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested: approximately \$450,000.00 for the loss of principal; interest on the principal; interest on her loan to her employer and margin debt; loss of approximately \$85,000.00 in her IRA; commissions, fees, and other transaction fees paid to Respondents; taxes in an amount substantially greater than was lawfully due in connection with the exercise of Claimant's TMPW stock options; and punitive damages.

Respondents requested that the Panel dismiss the Claim with prejudice and direct that the Claim be expunged from Respondent Koszalka's CRD and direct Claimant to bear all costs incurred, including attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

Claimants made a motion for sanctions on or about April 20, 2004 and modified the request at the hearings. After due consideration, the Panel denied the motion.

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.

AWARD

After considering the pleadings, and the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are denied in their entirety.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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
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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. Accordingly, PaineWebber, Inc. n/k/a UBS Financial Services, Inc. is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 Panel @ \$1,200.00 = \$ 1,200.00

Pre-hearing conference: November 18, 2003 1 session

Eleven (11) Hearing sessions @ \$1,200.00 = \$13,200.00

Hearing Dates:	February 23, 2004	2 sessions
	February 24, 2004	2 sessions
	February 25, 2004	2 sessions
	February 26, 2004	2 sessions
	April 21, 2004	2 sessions
	April 22, 2004	1 session

Total Forum Fees = \$14,400.00

1. The Panel has assessed \$3,600.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$10,800.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$3,600.00
Total Fees	= \$3,975.00
Less payments	= \$1,575.00
Balance Due NASD Dispute Resolution	= \$2,400.00

2. UBS is solely liable for:

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

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$10,800.00
<u>Total Fees</u>	= \$10,800.00
<u>Less payments</u>	= \$ 4,000.00
Balance Due NASD Dispute Resolution	= \$ 6,800.00

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

NASD REGULATION

NASD Dispute Resolution
Arbitration No. 03-01899
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ARBITRATION PANEL

Robert E. Bartkus, Esq.	-	Public Arbitrator, Presiding Chair
Herbert Siegel, Esq.	-	Public Arbitrator
Alfred P. Reeves, III	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Robert E. Bartkus, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Herbert Siegel, Esq.
Public Arbitrator

Signature Date



Alfred P. Reeves, III
Non-Public Arbitrator

5-3-04
Signature Date

May 7, 2004


Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Robert E. Bartkus, Esq.	-	Public Arbitrator, Presiding Chair
Herbert Siegel, Esq.	-	Public Arbitrator
Alfred P. Reeves, III	-	Non-Public Arbitrator

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Robert E. Bartkus, Esq.
Public Arbitrator, Presiding Chairperson

5-3-04

Signature Date

Herbert Siegel, Esq.
Public Arbitrator

Signature Date

Alfred P. Reeves, III
Non-Public Arbitrator

Signature Date

May 7, 2004
Date of Service (For NASD Dispute Resolution use only)

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Herbert Siegel, Esq.	-	Public Arbitrator
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Robert E. Bartkus, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Herbert Siegel

Herbert Siegel, Esq.
Public Arbitrator

May 3, 2004

Signature Date

Alfred P. Reeves, III
Non-Public Arbitrator

Signature Date

May 7, 2004

Date of Service (For NASD Dispute Resolution use only)