

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Karim Abukhadra (Claimant) v. UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. (Respondent)

Case Number: 03-02369

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

Claimant Karim Abukhadra ("Abukhadra") hereinafter referred to as "Claimant": David B. Gordon, Esq., Schoeman, Updike & Kaufman, LLP, New York, NY.

Respondent UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. ("UBS") hereinafter referred to as "Respondent": David L. Goldberg, Esq., UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 31, 2003.

Claimant signed the Uniform Submission Agreement: March 31, 2003.

Statement of Answer filed by Respondent on or about: June 17, 2003.

Respondent signed the Uniform Submission Agreement: June 10, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability; unauthorized trading; breach of contract; conversion; accounting; negligence; fraud; and violation of Section 10(b) of the Securities Exchange Act of 1934 and SEC Rule 10B-5. Claimant's claim involved shares of AOL Time Warner, Cisco Systems, DHB Industries, EMC, Juniper Networks, Microsoft, Network Appliance, Sonus, Starbase, Sun Microsystems, Texas Instruments, Tyco, Verisign and Qualcomm.

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

RELIEF REQUESTED

Claimant requested that the Arbitration Panel enter judgment in his favor and award him

compensatory and punitive damages in an amount to be determined at trial, attorneys' fees and costs, interest, and such other and further relief as the Panel deems proper.

Respondent requested that Claimant's claims be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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. Respondent is liable for and shall pay to Claimant compensatory damages in the amount of \$106,383.02.
2. Claimant is not required to pay UBS the existing margin balance in his account. UBS is ordered to transfer the balance in Claimant's account according to Claimant's direction. At the closing of Claimant's account, all margin balances, including interest, are forgiven.
3. Respondent is liable for and shall pay to Claimant the sum of \$250.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution.
4. 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	= \$250.00
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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, UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00

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 a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: February 24, 2004 1 session

One (1) Pre-hearing session with Panel @ \$1,000.00 = \$1,000.00
Pre-hearing conference: October 27, 2003 1 session

Four (4) Hearing sessions @ \$1,000.00 = \$4,000.00
Hearing Date: March 2, 2004 2 sessions
March 3, 2004 2 sessions

Total Forum Fees = \$5,450.00

1. The Panel has assessed \$2,725.00 of the forum fees against Claimant.
2. The Panel has assessed \$2,725.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 250.00
<u>Forum Fees</u>	= <u>\$2,725.00</u>
Total Fees	= \$2,975.00
<u>Less payments</u>	= <u>\$1,250.00</u>
Balance Due NASD Dispute Resolution	= \$1,725.00

As stated in the "Award" section above, Respondent is liable and shall reimburse Claimant for the \$250.00 filing fee.

2. Respondent is solely liable for:

Member Fees	= \$4,450.00
<u>Forum Fees</u>	= <u>\$2,725.00</u>
Total Fees	= \$7,175.00
<u>Less payments</u>	= <u>\$4,450.00</u>
Balance Due NASD Dispute Resolution	= \$2,725.00

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

ARBITRATION PANEL

Melvin Lyon	-	Public Arbitrator, Presiding Chair
Eugene F. Farabaugh, Esq.	-	Public Arbitrator
Virginia Kali Sourlis, Esq.	-	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.

Melvin Lyon
Melvin Lyon
Public Arbitrator, Presiding Chairperson

Signature Date

Eugene F. Farabaugh, Esq.
Public Arbitrator

Signature Date

Virginia Kali Sourlis, Esq.
Non-Public Arbitrator

Signature Date

March 18, 2004

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

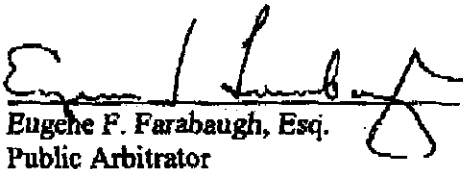
Melvin Lyon	-	Public Arbitrator, Presiding Chair
Eugene F. Farabaugh, Esq.	-	Public Arbitrator
Virginia Kali Sourlis, Esq.	-	Non-Public Arbitrator

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Melvin Lyon
Public Arbitrator, Presiding Chairperson

Signature Date



Eugene F. Farabaugh, Esq.
Public Arbitrator

March 9, 2004

Signature Date

Virginia Kali Sourlis, Esq.
Non-Public Arbitrator

Signature Date

March 18, 2004

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Melvin Lyon	-	Public Arbitrator, Presiding Chair
Eugene F. Farabaugh, Esq.	-	Public Arbitrator
Virginia Kali Sourlis, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

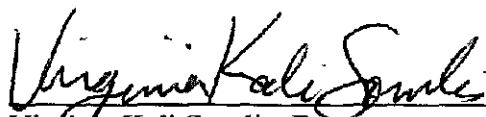
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Melvin Lyon
Public Arbitrator, Presiding Chairperson

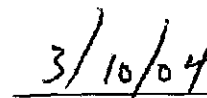
Signature Date

Eugene F. Farabaugh, Esq.
Public Arbitrator

Signature Date



Virginia Kali Sourlis, Esq.
Non-Public Arbitrator



Signature Date

March 18, 2004
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