

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimant

Scott R. Nelson

v.

03-03028
Denver, Colorado

Respondents

UBS Financial Services Inc.
f/k/a UBS PaineWebber, Inc., Ralph W. Ward
and Alberto H. Brea

Nature of the Dispute: Customer vs. Member and Associated Persons

REPRESENTATION OF PARTIES

Scott R. Nelson ("Claimant") was represented by Steven S. Kaufman, Esq., Thompson Hine, LLP, Cleveland, Ohio.

UBS Financial Services Inc. f/k/a UBS PaineWebber, Inc. ("UBS"), Ralph W. Ward ("Ward") and Alberto H. Brea ("Brea"), hereinafter collectively referred to as "Respondents," were represented by Lisa C. Cohen, Esq., Schindler, Cohen, & Hochman LLP, New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about April 24, 2003. The Submission Agreement of Claimant was signed on or about April 10, 2003.

The Statement of Answer and Motion to Dismiss was filed jointly by Respondents, UBS, Ward and Brea, on or about July 23, 2003. The Submission Agreement of Respondent, UBS, was signed on or about August 1, 2003 by Kenneth G. Crowley. The Submission Agreement of Respondent, Ward, was signed on or about July 21, 2003. The Submission Agreement of Respondent, Brea, was signed on or about July 21, 2003.

Claimant's Response in Opposition to Respondents' Joint Motion to Dismiss was filed on or about August 22, 2003.

Respondents filed a reply to Claimant's Response to Respondents' Motion to Dismiss on or about November 17, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; negligence; unauthorized trading; unsuitable recommendations; breach of fiduciary duty; violations of Rule 10b-5; and common law fraud. The causes of action related to the recommendation and subsequent purchase of future commodities for Claimant's investment account by Respondent Ward.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim failed to state a claim upon which relief may be granted; the Claim is time barred by the doctrine of laches; and Claimant's causes of action are barred by the doctrines of ratification, waiver, and estoppel.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$1,000,000.00
Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in its entirety and that they be awarded their costs and attorneys' fees. Respondents Ward and Brea also requested that all references to this matter be expunged from their registration records maintained by NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED & DECIDED

On or about December 3, 2003, the panel entered an Order denying Respondents' Motion to Dismiss.

The parties have advised NASD Dispute Resolution that they entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies. The parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings and the stipulation of the parties, but without making any findings of fact or conclusions of law, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination and find as follows:

1. Claimant's claims, having been withdrawn, are dismissed with prejudice;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents, Ralph W. Ward and Alberto H. Brea'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, Respondents, Ralph W. Ward and Alberto H. Brea, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice; and
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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. In this matter, the member firm is UBS Financial Services Inc. f/k/a UBS PaineWebber, Inc.

Member surcharge	\$ 2,250.00
Pre-hearing process fee	\$ 750.00
Hearing process fee	\$ 4,000.00
Member Fees	<u>\$ 7,000.00</u>

Adjournment Fees

Adjournments requested during these proceedings:

September 19-23, 2004, requested jointly by Claimant and

Respondents

\$ 1,200.00

Total Adjournment Fees

\$ Waived

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator	x \$ 450.00	\$ 450.00
Pre-hearing conference: June 28, 2004	1 session	
Two (2) Pre-hearing sessions with Panel	x \$ 1,200.00	\$ 2,400.00
Pre-hearing conferences: November 18, 2003	1 session	
September 14, 2004	1 session	
Total Forum Fees		\$ 2,850.00

The Arbitration Panel has assessed \$1,425.00 of the forum fees to Claimant.

The Arbitration Panel has assessed \$1,425.00 of the forum fees jointly and severally to Respondents.

FEE SUMMARY

Claimant shall be and hereby is liable for:

Initial Filing Fee	\$ 375.00
Forum Fees	\$ 1,425.00
Total Fees	\$ 1,800.00
Less Payments	\$ 3,200.00
Balance Refunded from NASD Dispute Resolution	\$ 1,400.00

Respondent, UBS, shall be and hereby is liable for:

Member Fee	\$ 7,000.00
Total Fees	\$ 7,000.00
Less Payments	\$ 9,850.00
Refund Due from NASD Dispute Resolution	\$ 2,850.00

Respondents, UBS, Ward, and Brea, shall be and hereby are jointly
and severally liable for:

Forum Fees	\$ 1,425.00
Total Fees	\$ 1,425.00
Less Payments	\$ 1,425.00
Balance Due NASD Dispute Resolution	\$ 0.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Barbara L. Edin, Esq. - Public Arbitrator, Presiding Chair
Bradford J. Lam, Esq. - Public Arbitrator
Gordon A. Yale, CPA- Non-Public Arbitrator

Concurring Arbitrators:

Barbara L. Edin, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Bradford J. Lam, Esq.
Public Arbitrator

Signature Date

Gordon A. Yale, CPA
Non-Public Arbitrator

Signature Date

2/10/05
Date of Service (For NASD office use only)

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Gordon A. Yale, CPA - Non-Public Arbitrator

Concurring Arbitrators:

Barbara L. Edin

Barbara L. Edin, Esq.
Public Arbitrator, Presiding Chair

8/15/05
Signature Date

Bradford J. Lam, Esq.
Public Arbitrator

Signature Date

Gordon A. Yale, CPA
Non-Public Arbitrator

Signature Date

8/16/05
Date of Service (For NASD office use only)

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Public Arbitrator

Signature Date

Gordon A. Yale

Gordon A. Yale, CPA
Non-Public Arbitrator

8/14/05

Signature Date

8/16/05

Date of Service (For NASD office use only)