

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Freya Chernin IRA R/O (Claimant) v. UBS PaineWebber, Inc. n/k/a UBS Financial Services, Inc. and Arlene Kaplan (Respondents)

Case Number: 03-03853

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Freya Chernin IRA R/O ("Chernin") hereinafter referred to as "Claimant": Patrick T. Collins, Esq., Franzblau Dratch, P.C., Livingston, NJ.

Respondents UBS PaineWebber, Inc. n/k/a UBS Financial Services, Inc. ("UBS") and Arlene Kaplan ("Kaplan") hereinafter collectively referred to as "Respondents": Sandra D. Grannum, Esq., Davidson & Grannum, LLP, Northvale, NJ. Previously represented by Kenneth G. Crowley, Esq., UBS Financial Services, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: May 27, 2003.

Claimant signed the Uniform Submission Agreement: May 12, 2003.

Joint Statement of Answer filed by Respondents on or about: July 30, 2003.

UBS signed the Uniform Submission Agreement: July 30, 2003.

Kaplan signed the Uniform Submission Agreement: July 30, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; negligence; breach of contract; breach of warranty; breach of New Jersey Common Law and Statutes; violation of Rule 10b-5 of the Securities Exchange Act of 1934. Claimant's claim involved unspecified securities.

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

RELIEF REQUESTED

Claimant requested out-of-pocket losses in the amount of \$205,000.00; lost appreciation

in the amount of \$265,000.00; punitive damages in the amount of \$600,000.00; interest from July 1, 2002; attorneys' fees; and costs of this proceeding.

Respondents requested dismissal of this proceeding, expungement of this matter from the CRD record of Arlene S. Kaplan, an award in their favor of the costs and disbursements of this proceeding, and such other and further relief as is just.

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, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Arlene Kaplan is liable for and shall pay Claimant compensatory damages in the amount of \$40,000.00.
2. Respondent UBS is liable for and shall pay to Claimant \$500.00 to reimburse Claimant for the non-refundable filing fee previously paid to NASD Dispute Resolution.
3. 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 = \$ 500.00

In accordance with the Award section above, Respondent UBS is liable for and shall pay to Claimant \$500.00 to reimburse Claimant for the non-refundable filing fee previously paid to NASD Dispute Resolution.

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

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

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 24, 2003 1 session	
Four (4) Hearing sessions @ \$1,200.00	= \$4,800.00
Hearing Dates: April 14, 2004 2 sessions	
April 15, 2004 2 sessions	
Total Forum Fees	= \$6,000.00

1. The Panel has assessed \$6,000.00 of the forum fees against Respondent UBS.

Fee Summary

1. Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 500.00
Total Fees	= \$ 500.00
<u>Less payments</u>	= \$1,700.00
Refund Due Claimant	= \$1,200.00

2. UBS is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	= \$ 6,000.00
Total Fees	= \$14,550.00
<u>Less payments</u>	= \$13,550.00
Balance Due NASD Dispute Resolution	= \$ 1,000.00

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

ARBITRATION PANEL

Edward L. Levine, Esq.	-	Public Arbitrator, Presiding Chair
Daniel P. Lund, Esq.	-	Public Arbitrator
James S. Goddard, 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.



Edward L. Levine, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Daniel P. Lund, Esq.
Public Arbitrator

Signature Date

James S. Goddard, Esq.
Non-Public Arbitrator

Signature Date

May 19, 2004

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

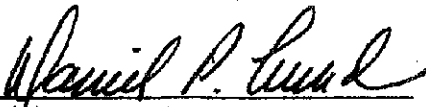
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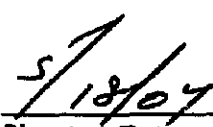
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