

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

L.I. Sunshine Realty, LLC, Kevin R. Seck IRA, Kathleen D. Seck IRA, Robert F. Seck c/f Robert E. Seck, Elizabeth A. Seck IRA, and Jacklyn M. Seck (Claimants) v. UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc., Robert Cochrane, and James B. Daley, Jr. (Respondents)

Case Number: 03-03964

Hearing Site: New York, New York

Nature of the Dispute: Customers v. Member and Associated Persons.

REPRESENTATION OF PARTIES

Claimants L.I. Sunshine Realty, LLC ("L.I. Sunshine Realty"), Kevin R. Seck ("Kevin Seck"), Kathleen D. Seck ("Kathleen Seck"), Robert F. Seck ("Robert F. Seck") Robert E. Seck ("Robert E. Seck"), Elizabeth A. Seck ("Elizabeth Seck"), and Jacklyn M. Seck ("Jacklyn Seck") hereinafter collectively referred to as "Claimants": John E. Lawlor, Esq., Mineola, NY.

Respondents UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. ("UBS"), Robert Cochrane ("Cochrane"), and James B. Daley, Jr. ("Daley") hereinafter collectively referred to as "Respondents": Thomas W. Dymek, Esq., Stradley Ronon Stevens & Young, LLP, Philadelphia, PA. Previously represented by: Andrew J. Melnick, Esq., UBS Financial Services, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: May 30, 2003.

Claimant L.I. Sunshine Realty signed the Uniform Submission Agreement: March 2, 2003.

Claimant Kevin Seck signed the Uniform Submission Agreement: March 2, 2003.

Claimant Kathleen Seck signed the Uniform Submission Agreement: March 2, 2003.

Claimant Robert F. Seck signed the Uniform Submission Agreement: April 2, 2003.

Claimant Robert E. Seck signed the Uniform Submission Agreement: March 2, 2003.

Claimant Elizabeth Seck signed the Uniform Submission Agreement: March 2, 2003.

Claimant Jacklyn Seck signed the Uniform Submission Agreement: March 2, 2003.

Joint Statement of Answer filed by Respondents on or about: August 11, 2003.

Respondent UBS did not sign the Uniform Submission Agreement.

Respondent Cochrane did not sign the Uniform Submission Agreement.

Respondent Daley did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; misrepresentations and omissions; breach of fiduciary obligations; failure to supervise; breach of customer agreement; and negligence and gross negligence, and negligent misrepresentations. The causes of action relate to unspecified securities.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$400,000.00; rescissory damages; disgorgement; punitive damages; interest; attorneys' fees; costs, expert and witness fees and administrative expenses; and any other and further relief the Panel finds just and equitable.

Respondents requested dismissal of the Statement of Claim in its entirety, with prejudice; and expungement of this claim from the CRD records of Respondents Cochrane and Daley.

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, are bound by the determination of the Panel on all issues submitted.

Claimants initially named Joseph P. Norman as a Respondent in this matter. However, on or about February 9, 2004, the parties stipulated that Joseph P. Norman was incorrectly designated as a Respondent in the above-captioned matter. It was further stipulated that his name be removed from the caption of this Arbitration and that all previously filed submissions on which his name appeared be deemed to have been filed without his name appearing thereon.

On or about October 15, 2004, NASD Dispute Resolution was notified that the parties settled this matter and were requesting the entry of a Stipulated Award.

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

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. The claims of Claimants are dismissed in their entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Robert Cochrane'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 Cochrane must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent James B. Daley, Jr.'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 Daley must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
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	= \$ 300.00
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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 persons at the time of the events giving rise to the dispute. In this matter, UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. is a party.

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

Adjournment Fees

The following adjournment fees are assessed:

May 25-28, 2004, joint adjournment request	= \$1,125.00
Claimants' share	= \$562.50

Respondents' share = \$562.50

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

October 18-21, 2004, settled by parties	= \$300.00
Claimants' share	= \$150.00
Respondents' share	= \$150.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$1,125.00
<u>Pre-hearing conference: January 8, 2004 1 session</u>	
Total Forum Fees	= \$1,125.00

1. The Panel assessed \$562.50 of the forum fees jointly and severally against Claimants.
2. The Panel assessed \$562.50 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 562.50
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	<u>= \$1,125.00</u>
Total Fees	= \$2,137.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 712.50

Pursuant to Rule 10332(f) of the NASD Code of Arbitration Procedure, NASD is retaining the total amount of the hearing session deposited by the Claimants because this office was notified by the parties that they settled this matter within eight business days of the first scheduled hearing.

2. Respondent UBS is solely liable for:

<u>Member Fees</u>	= \$5,200.00
<u>Total Fees</u>	= \$5,200.00
<u>Less payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

Adjournment Fee	= \$ 562.50
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	= \$ 562.50
<u>Total Fees</u>	= \$1,275.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,275.00


All balances are due and payable to NASD Dispute Resolution

Parties' Signatures



L.I. Sunshine Realty, LLC
Claimant

12/14/04
Signature Date



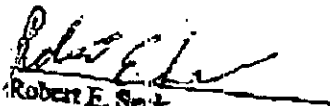
Kevin Seck
Claimant

12/14/04
Signature Date



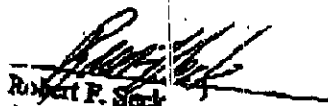
Kathleen Seck
Claimant

12/14/04
Signature Date



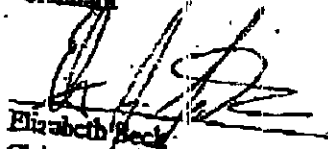
Robert E. Seck
Claimant

12/14/04
Signature Date



Robert F. Seck
Claimant

12/14/04
Signature Date



Elizabeth Seck
Claimant

12/14/04
Signature Date




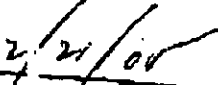
Kathleen Seck
Claimant


12/14/04
Signature Date



UBS Financial Services, Inc.
Respondent


Signature Date


Robert Cochran
Respondent


Signature Date


James H. Tilley, Jr.
Respondent

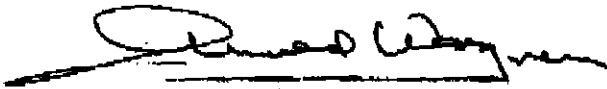

Signature Date

ARBITRATION PANEL

Arnold Wagner	-	Public Arbitrator, Presiding Chair
Martin Jay Siegel, Esq.	-	Public Arbitrator
Thomas W. Smith, 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 in which is my award.


Arnold Wagner
Public Arbitrator, Presiding Chair

3/4/2005
Signature Date

Martin Jay Siegel, Esq.
Public Arbitrator

Signature Date

Thomas W. Smith, Esq.
Non-Public Arbitrator

Signature Date

March 28, 2005
Date of Service (For NASD office use only)

ARBITRATION PANEL


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Martin Jay Siegel, Esq.	-	Public Arbitrator
Thomas W. Smith, Esq.	-	Non-Public Arbitrator

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Arnold Wagner
Public Arbitrator, Presiding Chair

Signature Date



Martin Jay Siegel, Esq.
Public Arbitrator

2/23/05

Signature Date

Thomas W. Smith, Esq.
Non-Public Arbitrator

Signature Date

March 28, 2005
Date of Service (For NASD office use only)

ARBITRATION PANEL

Arnold Wagner	-	Public Arbitrator, Presiding Chair
Martin Jay Siegel, Esq.	-	Public Arbitrator
Thomas W. Smith, Esq.	-	Non-Public Arbitrator

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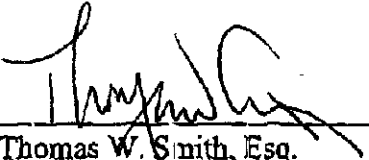
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Public Arbitrator, Presiding Chair

Signature Date

Martin Jay Siegel, Esq.
Public Arbitrator

Signature Date



Thomas W. Smith, Esq.
Non-Public Arbitrator



Signature Date

March 28, 2005
Date of Service (For NASD office use only)