

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

UBS Financial Services, Inc.

and

Case Number: 03-04045
Hearing Site: Dallas, Texas

Name of Respondent

Thomas Wilson

NATURE OF DISPUTE

Member Firm v. Associated Person

REPRESENTATION OF PARTIES

UBS Financial Services, Inc. ("**Claimant**" or "**UBS Financial**") was represented by Brent A. Burns, Esq., of Davidson & Grannum, LLP, of Northvale, New Jersey.

Thomas Wilson ("**Respondent**") of Houston, Texas, did not enter an appearance in this matter.

CASE INFORMATION

The Statement of Claim was filed June 4, 2003.

The Submission Agreement of Claimant UBS Financial Services, Inc. was signed February 19, 2003.

Respondent Wilson did not file either a Submission Agreement or a Statement of Answer.

CASE SUMMARY

Claimant alleges a failure to repay promissory notes. Claimant asserted the following: on or about March 23, 2001, UBS Financial Services, Inc. hired Wilson as a Financial Advisor in the Dallas, Texas branch office. In connection with Wilson's hire, on or about March 23, 2001, UBS Financial advanced to Wilson as a loan the sum of \$103,840.00. This loan was memorialized in a promissory note entitled, Promissory Note #30630 ("Note #30630"). Note #30630 provided that if Wilson's employment should terminate, whether voluntarily or involuntarily, no part of the unpaid Principal Amount shall be forgiven.

Wilson resigned prior to the second forgiveness date of Note #30630. One of the five equal, annual installments of this loan, or \$20,768.00, were forgiven. According to the Claimant, the amount of the principal outstanding on Note #30630 on the date of Wilson's voluntary resignation from UBS Financial was \$83,072.00. During the time of Wilson's employment, UBS Financial accumulated the amount of \$1,074.26 for the purpose of paying Wilson's tax obligations. This entire amount was applied, pursuant to the Note #30630 agreement, to reduce the aggregate principal amount owed by Wilson. As a result, the amount due decreased to \$81,997.74 and remains due and owing to UBS Financial.

Note #30630 further provided that should Wilson default in the timely payment of any portion of the principal amount, Wilson is obligated to pay interest on any such outstanding amounts. Also, Note #30630 provided that should UBS Financial be required to enforce any and all provisions, Wilson is obligated to pay any and all costs and expenses, including, without limitation, reasonable attorney's fees and disbursements incurred by UBS Financial.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory	\$ 81,997.74
Interest	Pursuant to the terms of the Note
Other Costs	Unspecified Amount
Attorney's Fees	Unspecified Amount

OTHER ISSUES CONSIDERED & DECIDED

By letter dated October 24, 2003, Claimant opted to proceed against Respondent Wilson pursuant to Rule 10314(e) of the NASD Code of Arbitration Procedure ("Code").

The Arbitrator determined that Respondent Wilson was properly served notice of the Statement of Claim and Notification of the Arbitrator by certified mail, and that Respondent Wilson is required to submit to arbitration pursuant to the Code and is bound by the determination of the Arbitrator on all issues submitted.

AWARD

The undersigned arbitrator has decided and determined in full and final resolution of the issues for determination as follows:

- 1.) Respondent, Thomas Wilson, is liable for and shall pay to Claimant, UBS Financial Services, Inc., the sum of \$81,997.00 in compensatory

damages, plus interest at the rate of 6% per annum accruing from July 26, 2002 until October 31, 2003;

- 2.) Respondent, Thomas Wilson, is liable for and shall pay to Claimant, UBS Financial Services, Inc., the sum of \$4,648.50 in attorney's fees pursuant to the Promissory Note dated on or about April 4, 2001;
- 4.) Respondent, Thomas Wilson, is liable for and shall pay to Claimant, UBS Financial Services, Inc., the sum of \$126.18 in costs pursuant to the Promissory Note dated on or about April 4, 2001; and
- 5.) Any relief not specifically enumerated, including punitive damages, is hereby denied with prejudice.

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 = \$1000.00

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.

Member surcharge = \$ 1,100 .00
Pre-hearing process fee = \$ 750.00

Forum Fees and Assessments

The Arbitrator assesses a forum fee for an Award issued under the Default Proceedings. Fees associated with these proceedings are:

Default Proceedings = \$300.00

The Arbitration Panel has assessed \$300.00 of the forum fees to Thomas Wilson.

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FEE SUMMARY

Claimant, UBS Financial Services, Inc., is liable for:

Initial Filing Fee	= \$ 1,000.00
<u>Member Fees</u>	<u>= \$ 1,850.00</u>
Total Fees	= \$ 2,850.00
<u>Less payments</u>	<u>= \$ 3,600.00</u>
Refund Due from NASD Dispute Resolution	= \$ 750.00

Respondent, Thomas Wilson, is liable for:

Forum Fees	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 300.00

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

ARBITRATOR

Dolores Martin – Industry Arbitrator, Presiding Chair

Arbitrator:

Dolores Martin
Dolores Martin
Industry Arbitrator, Presiding Chair

5-28-04
Date

6/4/04
Date of Service (For NASD office use only)