

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Texas Hill Country Corp.

and

Case Number: 03-04687
Hearing Site: Houston, Texas

Names of Respondents

UBS Financial Services, Inc.,
Montague Sylvester Hasie,
Aubrey Bruce Stacy,
and Elizabeth Jordan Staley

NATURE OF DISPUTE

Customer v. Member Firm and Associated Persons

REPRESENTATION OF PARTIES

Texas Hill Country Corp. ("**Claimant**") was represented by Darren C. Blum, Esq. and Scott Silver, Esq., Blum, Silver & Schwartz, LLP, Coral Springs, Florida.

UBS Financial Services, Inc. ("**UBS**"), Montague Sylvester ("**Sylvester**"), Aubrey Bruce Stacy ("**Stacy**") and Elizabeth Jordan Staley ("**Staley**"), hereinafter collectively referred to as "Respondents," were represented by Will S. Montgomery, Esq. and Jeffrey L. Crouch, Esq., Jenkins & Gilchrist, PC, Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about June 27, 2003. The Uniform Submission Agreement of Claimant, Texas Hill Country Corp., was signed on or about April 4, 2003.

The Joint Statement of Answer was filed by Respondents, UBS Financial Services, Inc., Montague Sylvester, Aubrey Bruce Stacy and Elizabeth Jordan Staley, on or about January 15, 2004. The Uniform Submission Agreement of Respondent, UBS Financial Services, Inc., was signed on or about July 30, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, breach of fiduciary duty, negligence and failure to supervise. The causes of action related to an account managed by third-party money manager, Nicholas-Applegate Inc.

Respondents, UBS Financial Services, Inc., Montague Sylvester Hasie, Aubry Bruce Stacy and Elizabeth Jordan Staley, denied the allegations made in the Statement of Claim and asserted defenses including the following: the decline in Claimant's account was due to market forces; Claimant chose the money manager involved on her own; the statement of claim failed to state a cause of action; comparative negligence; assumption of the risk and statutes of limitations barred Claimant's causes of action.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$250,000.00
Punitive/Exemplary 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 their entirety and that they be awarded their costs and attorneys' fees. Respondent, Aubrey Bruce Stacy, requested expungement of all reference to this matter from his CRD.

OTHER ISSUES CONSIDERED & DECIDED

Respondents, Montague Sylvester Hasie, Aubrey Bruce Stacy, and Elizabeth Jordan Staley did not file with the NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, are bound by the determination of the arbitration panel on all issues submitted.

Claimant and Respondents advised NASD that on or about November 26, 2004, 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 Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties

have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) Claimant's claims against Respondents, UBS Financial Services, Inc., Montague Sylvester Hasie, Aubrey Bruce Stacy, and Elizabeth Jordan Staley, are dismissed with prejudice;
- 2.) The panel recommends the expungement, of all references to the above captioned arbitration from Respondent, Aubrey Bruce Stacy's, registration records maintained by NASD Central Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent, Aubrey Bruce Stacy, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) Any and all relief not specifically addressed herein, including attorneys' fees and costs is denied and all claims are dismissed 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 = \$ 300.00

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is UBS Financial Services, Inc.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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:

Hearing dates: November 30-December 3, 2004, Settled November 26, 2004

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 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 x \$450.00	= \$ 450.00
Pre-hearing conference: October 26, 2004 1 session	
One (1) Pre-hearing session with Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: February 4, 2004 1 session	
Total Forum Fees	= \$1,575.00

The Arbitration Panel has assessed \$787.50 of the forum fees to Texas Hill Country Corp.

The Arbitration Panel has assessed \$787.50 of the forum fees jointly and severally to UBS Financial Services, Inc., Montague Sylvester Hasie, Aubrey Bruce Stacy, and Elizabeth Jordan Staley.

Pursuant to Rule 10332(g) of NASD Code of Arbitration Procedures: *Any matter submitted and thereafter settled or withdrawn subsequent to the commencement of the first hearing session, including a pre-hearing conference with an arbitrator, shall be subject to an assessment of forum fees and costs incurred pursuant to Rules 10319, 10321, 10322, and 10326 based on hearing sessions held and scheduled within eight business days after the Association receives notice that the matter has been settled or withdrawn. The arbitrator(s) shall determine by whom such forum fees and costs shall be borne. As NASD Dispute Resolution received notice of the settlement within eight business days of the first scheduled hearing, \$ 337.50 of the Claimant's remaining hearing session deposit is retained.*

Fee Summary

Claimant, Texas Hill Country Corp., is liable for:

Initial Filing Fee	= \$	300.00
Forum Fees	= \$	787.50
Hearing Session Deposit Retained	= \$	337.50
Three-Day Cancellation Fee	= \$	60.00
Total Fees	= \$	1,485.00
Less payments	= \$	1,485.00
Balance Due NASD Dispute Resolution	= \$.00

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

Member Fees	= \$	5,200.00
Three-Day Cancellation Fee	= \$	60.00
Total Fees	= \$	5,260.00
Less payments	= \$	5,260.00
Balance Due NASD Dispute Resolution	= \$.00

Respondent, Montague Sylvester Hasie, is liable for:

Three-Day Cancellation Fee	= \$	60.00
Total Fees	= \$	60.00
Less Payments	= \$	60.00
Balance Due NASD Dispute Resolution	= \$.00

Respondent, Aubrey Bruce Stacy, is liable for:

Three-Day Cancellation Fee	= \$	60.00
Total Fees	= \$	60.00
Less Payments	= \$	60.00
Balance Due NASD Dispute Resolution	= \$.00

Respondent, Elizabeth Jordan Staley, is liable for:

Three-Day Cancellation Fee	= \$	60.00
Total Fees	= \$	60.00
Less Payments	= \$	60.00
Balance Due NASD Dispute Resolution	= \$.00

Respondents, UBS Financial Services, Inc., Montague Sylvester Hasie, Aubrey Bruce Stacy, and Elizabeth Jordan Staley, are jointly and severally liable for:

Forum Fees	= \$	787.50
Total Fees	= \$	787.50
Less payments	= \$	787.50
Balance Due NASD Dispute Resolution	= \$.00

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

ARBITRATION PANEL

Frank M. Romano - Public Arbitrator, Presiding Chair
Leonard S. Alpert - Public Arbitrator
Thomas W. Taylor - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Frank M. Romano
Frank M. Romano
Public Arbitrator, Presiding Chair

February 18, 2005
Signature Date

/s/ Leonard S. Alpert
Leonard S. Alpert
Public Arbitrator

February 18, 2005
Signature Date

/s/ Thomas W. Taylor
Thomas W. Taylor
Non-Public Arbitrator

February 21, 2005
Signature Date

March 2, 2005
Date of Service (For NASD office use only)

Respondents, UBS Financial Services, Inc., Montague Sylvester Hasie, Aubrey Bruce Stacy, and Elizabeth Jordan Staley, are jointly and severally liable for:


Forum Fees	= \$ 787.50
Total Fees	= \$ 787.50
Less payments	= \$ 787.50
Balance Due NASD Dispute Resolution	= \$.00

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

ARBITRATION PANEL

Frank M. Romano - Public Arbitrator, Presiding Chair
Leonard S. Alpert - Public Arbitrator
Thomas W. Taylor - Non-Public Arbitrator

Concurring Arbitrators:



Frank M. Romano
Public Arbitrator, Presiding Chair

2/18/05

Signature Date

Leonard S. Alpert
Public Arbitrator

Signature Date

Thomas W. Taylor
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Respondents, UBS Financial Services, Inc., Montague Sylvester Hasko, Aubrey Bruce Stacy, and Elizabeth Jordan Staley, are jointly and severally liable for:

Forum Fees	= \$	787.50
Total Fees	= \$	787.50
Less payments	= \$	787.50
Balance Due NASD Dispute Resolution	= \$.00

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

ARBITRATION PANEL

Frank M. Romano - Public Arbitrator, Presiding Chair
Leonard S. Alpert - Public Arbitrator
Thomas W. Taylor - Non-Public Arbitrator

Concurring Arbitrators:

Frank M. Romano
Public Arbitrator, Presiding Chair

Signature Date



Leonard S. Alpert
Public Arbitrator

2/18/2005

Signature Date

Thomas W. Taylor
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Respondents, UBS Financial Services, Inc., Montague Sylvester Hasie, Aubrey Bruce Stacy, and Elizabeth Jordan Staley, are jointly and severally liable for:

Forum Fees	= \$	787.50
Total Fees	= \$	787.50
Less payments	= \$	787.50
Balance Due NASD Dispute Resolution	= \$.00

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

ARBITRATION PANEL

Frank M. Romano - Public Arbitrator, Presiding Chair
Leonard S. Alpert - Public Arbitrator
Thomas W. Taylor - Non-Public Arbitrator

Concurring Arbitrators:

Frank M. Romano
Public Arbitrator, Presiding Chair

Signature Date

Leonard S. Alpert
Public Arbitrator

Signature Date



Thomas W. Taylor
Non-Public Arbitrator



Signature Date

Date of Service (For NASD office use only)