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**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 03-04736

Michael L. Limond  
Lauretta Limond and Michael Limond, Joint Account  
Michael L. Limond and Lisa J. Taylor, Joint Account  
Michael L. Limond and Marilyn Limond, Joint Account  
Michael L. Limond and Ellen Sperling, Joint Account

Names of the Respondents

Hearing Site: Boca Raton, Florida

UBS Financial Services, Inc., f/k/a  
UBS PaineWebber, Inc.  
Randy L. Stark

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

**REPRESENTATION OF PARTIES**

For Michael L. Limond, Lauretta Limond and Michael Limond, Joint Account, Michael L. Limond and Lisa J. Taylor, Joint Account, Michael L. Limond and Marilyn Limond, Joint Account, Michael L. Limond and Ellen Sperling, Joint Account, hereinafter collectively referred to as "Claimants": Howard N. Kahn, Esq., Law Offices of Kahn & Chenkin, Hollywood, Florida.

For UBS Financial Services, Inc., f/k/a UBS PaineWebber, Inc. ("UBS") and Randy L. Stark ("Stark"), hereinafter collectively referred to as "Respondents": Sara Sota, Esq., Fowler White Burnett, P.A., Miami, Florida.

**CASE INFORMATION**

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

Claimants Michael L. Limond, Lauretta Limond and Lisa J. Taylor signed Uniform Submission Agreements on: August 12, 2003.

Claimants Marilyn Limond and Ellen Sperling signed Uniform Submission Agreements on: August 13, 2003.

Statement of Answer filed by Respondents on or about: November 6, 2003.

Respondents' Amended Answer filed on or about: March 18, 2004.

Respondent UBS signed the Uniform Submission Agreement on: August 26, 2003.

Respondent Stark did not submit an executed Uniform Submission Agreement.

### **CASE SUMMARY**

Claimants alleged the following causes of action: 1) unsuitability; and 2) breach of fiduciary duty. The causes of action relate to investments in shares of equity stock, including but not limited to, Alliance Resource Partners, in Claimants' accounts.

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

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$3,000,000.00, pre judgment and post judgment interest, costs, punitive damages in an amount determined by the undersigned arbitrators (the "Panel") and such other and further relief as the Panel deemed just and proper.

Respondents requested dismissal of all claims, and assessment of all costs of this arbitration proceeding against Claimants.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent Stark did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

On or about February 18, 2005, the parties notified NASD that they had settled this matter.

On or about March 8, 2005, the parties submitted a Stipulation of Settlement that included, among other things, Claimants dismissal, with prejudice, of their claims against Respondent Stark in this matter. As part of a condition to the settlement, Claimants conceded that, after reviewing documents produced in this matter and matters presented at the mediation, they determined to discontinue the action against Stark as they did not believe their claim against him had merit. Claimants also agreed to the entry of an award directing the expungement of all references to this proceeding from Respondent Stark's U-4, U-5 and from his registration records maintained by the NASD Central Registration Depository ("CRD").

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

### **AWARD**

After considering the pleadings and the parties' proposed Stipulated Award, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Stark's U-4, U-5 and from the registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Stark must

obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 500.00

#### **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. Accordingly, Respondent UBS is a member firm and a party.

Member surcharge = \$2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$5,000.00

Total Member Fees = \$8,550.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

#### **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:

There were no three-day cancellation fees assessed during these proceedings.

#### **Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

There were no injunctive relief fees assessed during these proceedings.

#### **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:

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One (1) Pre-hearing session with a single arbitrator @ \$450.0 per session = \$ 450.00  
Pre-hearing conference: January 14, 2005 1 session

One (1) Pre-hearing session with Panel @ \$1,200.00 per session = \$1,200.00  
Pre-hearing conference: May 11, 2004 1 session

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Total Forum Fees = \$1,650.00

The Panel has assessed forum fees in the amount of \$825.00 to Claimants, jointly and severally.

The Panel has assessed forum fees in the amount of \$825.00 to Respondents, jointly and severally.

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

**Fee Summary**

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 825.00
Total Fees	= \$1,325.00
Less payments	= \$1,325.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent UBS is solely liable for:

Member Fees	= \$8,550.00
Total Fees	= \$8,550.00
Less payments	= \$8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 825.00
Total Fees	= \$ 825.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 825.00

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

**ARBITRATION PANEL**

*Tamra H. Sheffman*  
*Robert T. Allen, Jr.*  
*Alvin Spier*

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*Public Arbitrator, Presiding Chairperson*  
*Public Arbitrator*  
*Non-Public Arbitrator*

**Concurring Arbitrators' Signatures**

/s/  
Tamra H. Sheffman  
Public Arbitrator, Presiding Chairperson

March 21, 2005  
Signature Date

/s/  
Robert T. Allen, Jr.  
Public Arbitrator

March 19, 2005  
Signature Date

/s/  
Alvin Spier  
Non-Public Arbitrator

March 31, 2005  
Signature Date


April 4, 2005  
Date of Service (For NASD Dispute Resolution office use only)

*Tamra H. Sheffman*  
*Robert T. Allen, Jr.*  
*Alvin Spier*

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*Public Arbitrator, Presiding Chairperson*  
*Public Arbitrator*  
*Non-Public Arbitrator*

Concurring Arbitrators' Signatures

  
Tamra H. Sheffman  
Public Arbitrator, Presiding Chairperson

3/21/05  
Signature Date

Robert T. Allen, Jr.  
Public Arbitrator

Signature Date

Alvin Spier  
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

*Tamra H. Sheffman*  
*Robert T. Allen, Jr.*  
*Alvin Spier*

- *Public Arbitrator, Presiding Chairperson*  
- *Public Arbitrator*  
- *Non-Public Arbitrator*

Concurring Arbitrators' Signatures

Tamra H. Sheffman  
Public Arbitrator, Presiding Chairperson

Signature Date

*Robert T. Allen, Jr.*  
Robert T. Allen, Jr.  
Public Arbitrator

*3-19-05*  
Signature Date

Alvin Spier  
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

*Tamra H. Sheffman*  
*Robert T. Allen, Jr.*  
*Alvin Spier*

*Public Arbitrator, Presiding Chairperson*  
*Public Arbitrator*  
*Non-Public Arbitrator*


Concurring Arbitrators' Signatures

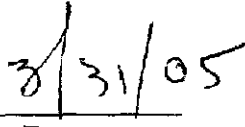
Tamra H. Sheffman  
Public Arbitrator, Presiding Chairperson

Signature Date

Robert T. Allen, Jr.  
Public Arbitrator

Signature Date

  
Alvin Spier  
Non-Public Arbitrator

  
Signature Date

Date of Service (For NASD Dispute Resolution office use only)