

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimants

David B. Martin and Kelly M. Martin

v.

03-05105
Denver, Colorado

Respondents

UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc.,
RBC Dain Rauscher, Inc. and James Richard Neisler

Nature of Dispute: Customers v. Members and Associated Person

REPRESENTATION OF PARTIES

David B. Martin and Kelly M. Martin ("Claimants") were represented by David E. Graven, Esq., of Burg Simpson Eldredge & Hersh, Englewood, Colorado.

UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. ("UBS") and James Richard Neisler ("Neisler"), for the time period he was employed at UBS PaineWebber, Inc., were represented by Holly Stein Sollod, Esq., of Holland & Hart, LLP, Denver, Colorado.

RBC Dain Rauscher, Inc. ("RBC") and James Richard Neisler ("Neisler"), for the time period he was employed at RBC Dain Rauscher, Inc., were represented by Stuart N. Bennett, Esq., of Lindquist & Vennum, PLLP, Denver, Colorado.

CASE INFORMATION

The Statement of Claim was filed on or about July 8, 2003. The Submission Agreement of Claimants was signed on or about June 16, 2003.

A Statement of Answer was filed jointly by Respondents, UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. and James Richard Neisler, on or about September 17, 2003. The Submission Agreement of Respondent UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. was signed on or about August 20, 2003.

A Statement of Answer was filed jointly by Respondents, RBC Dain Rauscher, Inc. and James Richard Neisler, on or about September 17, 2003. The Submission Agreement of Respondent RBC Dain Rauscher, Inc. was signed on or about August 1, 2003. The Submission Agreement of Respondent James Richard Neisler was signed on or about September 17, 2003.

CASE SUMMARY

Claimants asserted causes of action including the following: misrepresentations, omissions, violation of federal securities laws, violations of The Colorado Consumer Protection Act, negligence, breach of contract and breach of fiduciary duty. The causes of action related to Claimants' allegation that Respondents mismanaged their accounts, gave Claimants improper investment advice and placed Claimants in an aggressive investment strategy consisting of aggressive growth and speculative biotechnology, telecommunication and technology stocks. Claimants asserted that this investment strategy was in contrast to their financial goals and risk tolerance and caused significant losses in their portfolio.

Respondents, UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. and James Richard Neisler, denied the allegations set forth in the Statement of Claim and asserted affirmative defenses including the following: Neither UBS nor Neisler acted with any intent to defraud Claimants or with any willful disregard for Claimants' interests; the alleged damages by Claimants are not the result of any act or omission on the part of UBS or Neisler; Claimants, by their conduct, financial position, sophistication and under all the circumstances of this case, are estopped from asserting these claims; Claimants' damages, if any, were caused by or contributed to by their own negligence or fault; and any and all duties owed to Claimants by UBS and Neisler were fully performed and performed in good faith.

Respondents, RBC Dain Rauscher, Inc. and James Richard Neisler, denied the allegations set forth in the Statement of Claim and asserted affirmative defenses including the following: Claimants' failed to state a claim upon which relief can be granted; Claimants' claims are barred by the applicable statutes of limitation; Claimants' claims are barred by their ratification of all trades in their accounts or they are estopped by their conduct to complain of the trades made in their accounts; Claimants' claims are barred, or their damages must be reduced, by Claimants' comparative negligence or fault; and Respondents, at all times, acted in good faith and without any knowledge of any wrongful conduct and did not cause, aid, abet, render substantial assistance to or encourage or ratify any wrongful conduct.

RELIEF REQUESTED

Claimants requested an award in the amount of \$300,000 in compensatory damages from RBC Dain Rauscher, Inc. and James Richard Neisler. Claimants requested an award in the amount of \$1,000,000 in compensatory damages from UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. and James Richard Neisler. In addition, Claimants requested an award of interest, attorney's fees, costs and any other relief that the panel deemed just and equitable from all Respondents.

Respondents, UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. and James Richard Neisler, requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

Respondents, RBC Dain Rauscher, Inc. and James Richard Neisler, requested that the claims asserted against them be denied in their entirety and that they be awarded their costs, attorneys' fees and any other relief the panel deemed just and equitable.

OTHER ISSUES CONSIDERED & 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. In either case, the parties have agreed to receive conformed copies of the award while the originals remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims, each and all, are hereby denied and dismissed with prejudice in their entirety;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent James Richard Neisler'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 James Richard Neisler must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto, including punitive damages, are denied with prejudice; and
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys' fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 500

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 firms are UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. and RBC Dain Rauscher, Inc.

UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc.

Member surcharge = \$ 2,800
Pre-hearing process fee = \$ 750
Hearing process fee = \$ 5,000

RBC Dain Rauscher, Inc.

Member surcharge = \$ 1,700
Pre-hearing process fee = \$ 750
Hearing process fee = \$ 2,750

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 Panel x \$ 1,200 = \$ 1,200

Pre-hearing conference: 03/01/2004 1 session

Twelve (12) Hearing sessions with Panel x \$ 1,200 = \$ 14,400

Hearing Dates: 08/23/2004 2 sessions
08/24/2004 3 sessions
08/25/2004 3 sessions
08/26/2004 2 sessions
08/27/2004 2 sessions

Total Forum Fees = \$ 15,600

The Arbitration Panel has assessed \$ 5,200 of the forum fees jointly and severally to David B. Martin and Kelly M. Martin.

The Arbitration Panel has assessed \$ 5,200 of the forum fees to UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc.

The Arbitration Panel has assessed \$ 5,200 of the forum fees to RBC Dain Rauscher, Inc.

Fee Summary

Claimants, David B. Martin and Kelly M. Martin, are jointly and severally is liable for:

Initial Filing Fee	= \$ 500
<u>Forum Fees</u>	= \$ 5,200
Total Fees	= \$ 5,700
<u>Less payments</u>	= \$ 1,700
Balance Due NASD Dispute Resolution	= \$ 4,000

Respondent, UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc., is liable for:

Member Fees	= \$ 8,550
<u>Forum Fees</u>	= \$ 5,200
Total Fees	= \$ 13,750
<u>Less payments</u>	= \$ 8,550
Balance Due NASD Dispute Resolution	= \$ 5,200

Respondent, RBC Dain Rauscher, Inc., is liable for:

Member Fees	= \$ 5,200
<u>Forum Fees</u>	= \$ 5,200
Total Fees	= \$10,400
<u>Less payments</u>	= \$ 8,550
Balance Due NASD Dispute Resolution	= \$ 1,850

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

ARBITRATION PANEL

Michelle D. Conklin, Esq. - Public Arbitrator, Presiding Chair
Bradford J. Lam, Esq. - Public Arbitrator
Lawrence J. Madden- Non-Public Arbitrator

Concurring Arbitrators:

Michelle D. Conklin, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Bradford J. Lam, Esq.
Public Arbitrator

Signature Date

Lawrence J. Madden
Non-Public Arbitrator


Signature Date

9/2/04
Date of Service (NASD use only)

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9/3/04
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Public Arbitrator

Signature Date

Lawrence J. Madden
Non-Public Arbitrator

Signature Date

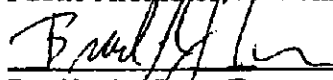
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Arbitration No. 03-05105

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Non-Public Arbitrator

Signature Date

9/7/04
Date of Service (NASD use only)