

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Robert T. Weber

Case Number: 03-05403

Name of the Respondents

UBS Financial Services Inc.;
George W. Lollis; and
Rose M. Thompson

Hearing Site: Dallas, Texas

NATURE OF THE DISPUTE

Public Customer v. Member Firm and Associated Persons

REPRESENTATION OF PARTIES

Claimant Robert T. Weber, hereinafter referred to as "Claimant": E. Steve Watson, Esq., located in Carrollton, Texas.

Respondents UBS Financial Services, Inc. ("UBS") and Rose M. Thompson ("Thompson"), hereinafter collectively referred to as "UBS Respondents": Will S. Montgomery, Esq., of the firm of Jenkins & Gilchrist, located in Dallas, Texas.

Respondent George W. Lollis ("Lollis"): James T. Drakeley, Esq., of the firm of Hiersche, Hayward, Drakeley & Urbach, P.C., located in Addison, Texas.

CASE INFORMATION

Statement of Claim filed: July 21, 2003.

Claimant signed the Uniform Submission Agreement: July 14, 2003.

Statement of Answer filed by Respondents UBS and Thompson on: October 15, 2003.

Respondents UBS and Thompson did not file signed Uniform Submission Agreements.

Respondent UBS and Thompson's Hearing Brief filed: April 19, 2005.

Statement of Answer filed by Respondent Lollis on: November 6, 2003.

Respondent Lollis signed the Uniform Submission Agreement: November 5, 2003.

Respondent Lollis' Trial Brief filed on: April 25, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: negligence/gross negligence/breach of industry standards; breach of contract; breach of duty, fiduciary and otherwise; *respondeat superior*; and, negligent failure on the part of Respondent UBS to supervise Respondents Lollis and Thompson.

The causes of actions related to Respondents representations regarding the security and risks of O'Hare Airport Revenue Bonds backed by UAL, and their loss in value following the September 11, 2001 terrorist attacks.

Unless specifically admitted in their Answer, Respondents UBS and Thompson denied the allegations made in the Statement of Claim and asserted the following defenses:

1. The Statement of Claim fails to stat a claim upon which relief can be granted;
2. The Statement of Claim is barred by the doctrine of laches and applicable statutes of limitations;
3. Claimant's causes of action are barred by the doctrines of ratification, waiver and estoppel;
4. The damages allegedly suffered by Claimant were not proximately caused by any alleged misconduct of Respondents, and there is no causal relationship to any act committed by or legally attributable to Respondents;
5. Claimant's claim for damages is based on speculation and conjecture, and cannot be attributed to any action or inaction by Respondents;
6. Claimant had the opportunity and means to mitigate any and all damages at issue in this action, but failed to do so;
7. Claimant knowingly assumed the risks associated with the investments at issue and was fully capable of assuming those risks;
8. Respondent breached no duties owed to Claimant and did not act in a reckless or negligent manner;
9. UBS and its officers, agents and employees, in discharging their duties, acted in good faith and exercised the degree of care, diligence, and skill which a prudent person would exercise in similar circumstances and like positions;
10. UBS adequately supervised Respondents Lollis and Thompson with respect to Claimant's account and complied with all relevant laws, rules, regulations and policies regarding the duty of supervision;
11. UBS acted properly and diligently and in compliance with all applicable rules and regulations;
12. Claimant is not entitled to pre-judgment or post-judgment interest, costs or attorneys' fees;
13. Claimant is not entitled to punitive damages or any enhanced statutory damages; and,
14. Claimant's punitive damage claim is barred by applicable law, including constitutional law.

Unless specifically admitted in his Answer, Respondent Lollis denied the allegations made in the Statement of Claim and asserted the following defenses:

1. The Statement of Claim fails to stat a claim upon which relief can be granted;
2. The Statement of Claim is barred by the doctrine of laches and applicable statutes of limitations;
3. Claimant's causes of action are barred by the doctrines of ratification, waiver and estoppel;

4. The damages allegedly suffered by Claimant were not proximately caused by any alleged misconduct of Lollis, and there is no causal relationship to any act committed by or legally attributable to Lollis;
5. Claimant's claim for damages is based on speculation and conjecture, and cannot be attributed to any action or inaction by Lollis;
6. Claimant had the opportunity and means to mitigate any and all damages at issue in this action, but failed to do so;
7. Claimant knowingly assumed the risks associated with the investments at issue and was fully capable of assuming those risks;yq
8. Lollis breached no duties owed to Claimant and did not act in a reckless or negligent manner;
9. Lollis, in discharging his duties, acted in good faith and exercised the degree of care, diligence, and skill which a prudent person would exercise in similar circumstances and like positions;
10. Lollis at all times in his dealings with Claimant acted in his capacity as an employee of UBS and is therefore not individually liable for the damages allegedly suffered by Claimant;
11. Lollis acted properly and diligently and in compliance with all applicable rules and regulations;
12. Claimant is not entitled to pre-judgment or post-judgment interest, costs or attorneys' fees;
13. Claimant has failed to allege any basis in law or fact for an award of punitive damages or any enhanced statutory damages;
14. Claimant has alleged no contractual or statutory basis for an award of attorneys' fees even is Claimant prevailed on the merits;
15. Claimant's punitive damage claim is barred by applicable law, including constitutional law;
16. Claimant ratified the investment decisions in the subject account by failing to timely object to any actions by Lollis;
17. Claimant received monthly statements and confirmation slips that apprised him of the activity in and the status of the subject account. If the activity failed to reflect his investment objectives, Claimant failed to inform Lollis. Accordingly, Claimant is barred from recovery; and,
18. Claimant's alleged losses were proximately caused by his own omissions and not by any wrongdoing on the part of Lollis.

RELIEF REQUESTED

Claimant Robert T. Weber requested:

Compensatory Damages	\$624,931.00
Punitive Damages	As determined by the Panel
Interest	Pre-judgment and post-judgment interest at the maximum rate allowed by law
Attorneys' Fees	For breach of contract

Other Costs

As determined by the Panel

Other Monetary/Non-Monetary Relief if any:

Including expert witness fees.

Respondents UBS and Thompson requested that all Claimant's claims be dismissed, that they recover their costs and attorneys' fees and that any reference to this action be expunged from the CRD record of Thompson. At hearing, Respondents UBS and Thompson requested legal fees and witness costs of \$111,026.01.

Respondent Lollis requested that all of Claimant's claims be dismissed, that Lollis recover his costs and attorneys' fees and that any reference to this action be expunged from his CRD record. At hearing, Respondent Lollis requested legal fees and witness costs of \$137,404.25.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents UBS and Thompson did not file with NASD Dispute Resolution, a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the pre-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant Robert T. Weber's Statement of Claim is dismissed and denied in its entirety;
2. Claimant Robert T. Weber is liable for and shall pay to Respondents UBS Financial Services, Inc. and Rose M. Thompson the sum of \$55,000.00 as legal fees and costs incurred in this arbitration. In deciding to award legal fees and costs, the Panel considered the pleadings filed by counsel, as well as the evidence, testimony and arguments presented at hearing, and determined that authority existed for an award of legal fees and costs to Respondents UBS and Thompson;
3. In addition, Claimant Robert T. Weber is liable for and shall pay to Respondent George W. Lollis the sum of \$55,000.00 as legal fees and costs incurred in this arbitration. In deciding to award legal fees and costs, the Panel considered the pleadings filed by counsel, as well as the evidence, testimony and arguments presented at hearing, and determined that authority existed for an award of legal fees and costs to Respondent Lollis;
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents George W. Lollis' and Rose M. Thompson'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, Respondents George W. Lollis and Rose M. Thompson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;

5. The parties shall each bear their own remaining costs of arbitration, except for those sums specifically enumerated in this award; and,
6. Any and all relief not specifically addressed herein, including punitive and/or treble 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 = \$ 375.00

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. Accordingly, UBS Financial Services, Inc. is a party and the following member fees are assessed:

Member surcharge = \$ 2,250.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

November 2-5, 2004 adjournment by Claimant Robert T. Weber = \$ 1,200.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: December 6, 2004 1 session	
Two (2) Pre-hearing sessions with Panel @ \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: May 6, 2004 1 session	
November 2, 2004 1 session	
Five (5) Hearing sessions @ \$1,200.00	= \$ 6,000.00
Hearing Date: May 10, 2005 2 sessions	
May 11, 2005 2 sessions	
May 12, 2005 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 8,850.00

The Panel has assessed \$8,850.00 of the forum fees to Claimant Robert T. Weber.

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FEE SUMMARY

Claimant Robert T. Weber is solely liable for:

Initial Filing Fee	= \$ 375.00
Adjournment Fee	= \$ 1,200.00
Forum Fees	= \$ 8,850.00
Total Fees	= \$10,425.00
Less payments	= \$ 2,775.00
Balance Due NASD Dispute Resolution	= \$ 7,650.00

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

Member Fees	= \$ 7,000.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

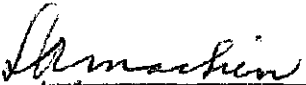
ARBITRATION PANEL

L. E. Machin - Public Arbitrator, Presiding Chairperson

Joe S. Shepherd - Public Arbitrator

Mark Preston - Non-Public Arbitrator

Concurring Arbitrators' Signatures



L. E. Machin
Public Arbitrator, Presiding Chairperson

5/20/2005

Signature Date

Joe S. Shepherd
Public Arbitrator

Signature Date

Mark Preston
Non-Public Arbitrator

Signature Date

5/24/05 

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

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Joe S. Shepherd - Public Arbitrator
Mark Preston - Non-Public Arbitrator

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L. E. Machin
Public Arbitrator, Presiding Chairperson

Signature Date



Joe S. Shepherd
Public Arbitrator

May 20, 2005

Signature Date

Mark Preston
Non-Public Arbitrator

Signature Date

5/24/05 MLE

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Concurring Arbitrators' Signatures

L. E. Machin
Public Arbitrator, Presiding Chairperson

Signature Date

Joe S. Shepherd
Public Arbitrator

Signature Date

Mark Preston
Non-Public Arbitrator

Signature Date

5/24/05 K/m

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