

**AWARD
NASD DISPUTE RESOLUTION**

In the Matter of the Arbitration Between:

UBS Financial Services, Inc., Claimant vs. Edward F. Pellegrini, Respondent

Case Number: 03-06208

SITUS: Dallas, Texas.

NATURE OF DISPUTE: Member v. Associated Person

REPRESENTATION OF PARTIES: UBS Financial Services, Inc., hereinafter referred to as "Claimant," was represented by Brent A. Burns, Esq., of the firm of Davidson & Grannum, LLP, located in Orangeburg, New York.

Respondent did not enter an appearance in this matter.

DATE FILED: August 27, 2003

CASE SUMMARY: Claimant alleged that Respondent breached the terms of the promissory notes he signed upon receipt of two employee forgivable loans.

CLAIM DATA:

Claim:	\$78,021.42
Punitive:	\$0.00
Attorney's Fees:	Unspecified Sum
Filing Fees:	\$1,750.00
Other:	Interest from 12/24/01 until payment of the Award.

AWARD DATA:

Award:	\$78,021.42
Punitive:	\$0.00
Attorney's Fees:	\$3,575.95
Filing Fees:	\$1,300.00
Other:	6% interest from 12/24/01 until Award is paid in full.

OTHER ISSUES: By letter dated February 19, 2004, Claimant opted to proceed against Respondent Edward F. Pellegrini pursuant to Rule 10314(e) of the *NASD Code of Arbitration Procedure* ("Code"). After review of the materials, the Arbitrator initially selected to decide the matter withdrew from the arbitration due to a conflict of interest.

The arbitrator selected thereafter determined that Respondent Edward F. Pellegrini was properly served notice of the Statement of Claim and Notification of the Arbitrator by certified mail, and that Respondent 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 submitted for determination as follows:

1. Respondent Edward F. Pellegrini is liable and shall pay to Claimant UBS Financial Services, Inc. the sum of \$78,021.42 plus interest at the rate of 6% per annum accruing from December 24, 2001 until the sum is paid in full;
2. In addition, Respondent Edward F. Pellegrini is liable and shall pay to Claimant UBS Financial Services, Inc. the sum \$3,575.95 in attorneys' fees. In deciding to award attorneys' fees, the Arbitrator considered the terms of the promissory notes signed by the Respondent and determined that authority existed for an award of attorneys' fees to the Claimant;
3. Furthermore, Respondent Edward F. Pellegrini is liable and shall pay to Claimant UBS Financial Services, Inc. the sum of \$1,300.00 as reimbursement of the filing fee and forum fee paid in this matter;
4. All remaining costs of arbitration shall be borne by the party incurring the cost; and,
5. All other relief requests are denied.

FEES:**Filing Fees**

NASD Dispute Resolution shall retain the \$1,000.00 filing fee previously deposited by the Claimant.

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 and cannot be assessed to any other party. Accordingly, UBS Financial Services, Inc. is a party and the following member fees are assessed:

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00

Forum Fees

Forum fees for a default judgment are \$300.00. The arbitrator assessed all forum fees against Claimant UBS Financial Services, Inc.

ARBITRATION PANEL

William Richard Smith - Sole Non-Public Arbitrator

s/s William Richard Smith
William Richard Smith

May 4, 2005
Signature Date

Date of Service of Award: May 5, 2005
(For NASD Use Only)

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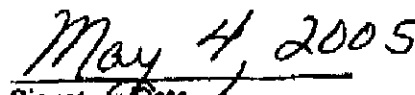
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ARBITRATION PANEL

William Richard Smith - Sole Non-Public Arbitrator


William Richard Smith


Signature Date

Date of Service of Award:
(For NASD Use Only)

5/5/05
