

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant

Jean G. Larned

and

Names of the Respondents

UBS Financial Services Inc.,
Michael E. McClenny, Ahmad Fakar,
and Roger B. Riley

Case Number: 03-06633

Hearing Site: Houston, Texas

NATURE OF DISPUTE

Customer v. Member Firm and Associated Persons

REPRESENTATION OF PARTIES

Jean G. Larned ("Claimant") was represented by Sandy Garfinkel, Esq., of Eckert Seamans and Alice L. Stewart, of Duquesne University and the Duquesne University School of Law Securities Arbitration Practicum, Pittsburgh, Pennsylvania.

UBS Financial Services, Inc. ("UBS"), Michael E. McClenny ("McClenny"), Ahmad Fakar ("Fakar"), and Roger B. Riley ("Riley"), hereinafter collectively referred to as "Respondents," were represented by Paul D. Flack, Esq., of Nickens Keeton Lawless Farrell & Flack, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed in or around September 10, 2003. The Submission Agreement of Claimant was signed on or about April 17, 2003.

The Statement of Answer was filed jointly by Respondents on or about January 16, 2004. The Submission Agreement of Respondents, Michael E. McClenny, Ahmad Fakar and Roger B. Riley, was signed on or about January 14, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: misrepresentations, breach of fiduciary duty, omissions, churning and suitability. The causes of action related to the recommendation and purchase of various unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; Claimant failed to mitigate her damages; and Claimant is barred by the doctrines of waiver, estoppel and laches.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$185,000.00
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. Also, Respondents, Michael E. McClenny, Ahmad Fakar, and Roger B. Riley, requested that this claim be expunged from their CRD records.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent UBS did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the prehearing is bound by the determination of the arbitration panel on all issues submitted.

On October 17, 2005, Claimants submitted a notice that they dismissed all of their claims against Respondents, UBS, McClenny, Fakar, and Riley with prejudice.

On or about March 2, 2006, Respondents filed a Motion to Reopen this Case for the Limited Purpose of Expungement. On or about May 8, 2006, the Panel granted the Motion to Reopen this Case. On June 12, 2006, the Panel heard oral arguments regarding the requests for expungement for Michael E. McClenny, Ahmad Fakar, and Roger B. Riley. After deliberations, the Panel granted the requests for expungement.

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. Claimants' claims against Respondents, UBS, McClenny, Fakar, and Riley, are dismissed with prejudice;
2. The panel recommends the expungement of all references to the above captioned arbitration from Respondents, Michael E. McClenny's, Ahmad Fakar's, and Roger B. Riley's, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09, Respondents, Michael E. McClenny, Ahmad Fakar, and Roger B. Riley, must obtain confirmation from a court of competent jurisdiction before the NASD 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 relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

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 = \$ 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

Adjournment Fees

Adjournments granted during these proceedings:

February 22-24, 2005, adjournment requested by Claimant = \$ 1,125.00
(fee waived by the Panel)

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:

Three (3) Pre-hearing sessions with Panel x \$1,125.00	= \$ 3,375.00
Pre-hearing conferences: August 6, 2004	1 session
February 22, 2005	1 session
June 12, 2006	1 session
<hr/> Total Forum Fees	<hr/> = \$ 3,375.00

The Arbitration Panel has assessed \$1,125.00 of the forum fees to Jean G. Larned.

The Arbitration Panel has assessed \$2,250.00 of the forum fees jointly and severally Michael E. McClenny, Ahmad Fakar, and Roger B. Riley.

Fee Summary

Claimant, Jean Larned, is liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,125.00
<hr/> Total Fees	<hr/> = \$ 1,425.00
Less payments	= \$ 1,425.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ 0.00

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

Member Fees	= \$ 5,200.00
<hr/> Total Fees	<hr/> = \$ 5,200.00
Less payments	= \$ 5,200.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ 0.00

Respondents, UBS Financial Services, Inc., Michael E. McClenny, Ahmad Fakar and Roger B. Riley, are jointly and severally liable for:

Forum Fees	= \$ 2,250.00
Total Fees	= \$ 2,250.00
Less payments	= \$ 1,125.00
Balance Due NASD Dispute Resolution	= \$ 1,125.00

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

ARBITRATION PANEL

Bertrand C. Moser, Esq. - Public Arbitrator, Presiding Chair
Jack Chapline Vaughan, Esq. - Public Arbitrator
William A. Wilson, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

<u>/s/ Bertrand C. Moser, Esq.</u>	<u>June 21, 2006</u>
Bertrand C. Moser, Esq.	Signature Date
Public Arbitrator, Presiding Chair	

<u>/s/ Jack Chapline Vaughan, Esq.</u>	<u>June 23, 2006</u>
Jack Chapline Vaughan, Esq.	Signature Date
Public Arbitrator	

<u>/s/ William A. Wilson, Esq.</u>	<u>June 21, 2006</u>
William A. Wilson, Esq.	Signature Date
Non-Public Arbitrator	

June 26, 2006
Date of Service (For NASD office use only)

Respondents, UBS Financial Services, Inc., Michael E. McClenny, Ahmad Fakar and Roger B. Riley, are jointly and severally liable for:

Forum Fees	= \$ 2,250.00
Total Fees	= \$ 2,250.00
Less payments	= \$ 1,125.00
Balance Due NASD Dispute Resolution	= \$ 1,125.00

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ARBITRATION PANEL

Bertrand C. Moser, Esq. - Public Arbitrator, Presiding Chair
Jack Chapline Vaughan, Esq. - Public Arbitrator
William A. Wilson, Esq. - Non-Public Arbitrator

Concurring Arbitrators:



Bertrand C. Moser, Esq.
Public Arbitrator, Presiding Chair

6/21/06
Signature Date

Jack Chapline Vaughan, Esq.
Public Arbitrator

Signature Date

William A. Wilson, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Balance Due NASD Dispute Resolution = \$ 0.00

Respondents, UBS Financial Services, Inc., Michael E. McClenny, Ahmad Fakar and Roger B. Riley, are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 2,250.00
<u>Total Fees</u>	= \$ 2,250.00
<u>Less payments</u>	= \$ 1,125.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 1,125.00

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

ARBITRATION PANEL


Bertrand C. Moser, Esq. - Public Arbitrator, Presiding Chair

Jack Chapline Vaughan, Esq. - Public Arbitrator

William A. Wilson, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Bertrand C. Moser, Esq.
Public Arbitrator, Presiding Chair



Jack Chapline Vaughan, Esq.
Public Arbitrator

Signature Date



Signature Date

William A. Wilson, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Respondents, UBS Financial Services, Inc., Michael E. McClenny, Ahmad Fakar and Roger B. Riley, are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$ 2,250.00</u>
<u>Total Fees</u>	<u>= \$ 2,250.00</u>
<u>Less payments</u>	<u>= \$ 1,125.00</u>
<u>Balance Due NASD Dispute Resolution</u>	<u>= \$ 1,125.00</u>

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

ARBITRATION PANEL

Bertrand C. Moser, Esq. - Public Arbitrator, Presiding Chair
Jack Chapline Vaughan, Esq. - Public Arbitrator
William A. Wilson, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Bertrand C. Moser, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Jack Chapline Vaughan, Esq.
Public Arbitrator

Signature Date



6-21-06

William A. Wilson, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)