

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

---

In the Matter of the Arbitration Between:

Name of the Claimant  
E. Walton Brown

Case Number: 04-00315

Names of the Respondents  
UBS PaineWebber, Inc.  
Glenn E. Brandon, Jr.  
J.C. Bradford & Co.

Hearing Site: Atlanta, Georgia

---

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

**REPRESENTATION OF PARTIES**

For E. Walton Brown, hereinafter referred to as "Claimant": Don B. Long, Esq. and T. Charles Fry, Jr., Esq., Johnston Barton Proctor & Powell LLP, Birmingham, Alabama.

For UBS PaineWebber, Inc. ("UBS") and J.C. Bradford & Co. ("Bradford"): Lee H. Zell, Esq., Will Hill Tankersley, Esq. and A. Kelly Brennan, Esq., Balch & Bingham LLP, Birmingham, Alabama.

For Respondent Glenn E. Brandon, Jr. ("Brandon"): Ernest Cory, Esq., Cory Watson Crowder & DeGaris, P.C., Birmingham, Alabama.

**CASE INFORMATION**

Statement of Claim filed on or about: January 13, 2004.

Claimant signed the Uniform Submission Agreement: January 12, 2004.

Statement of Answer filed by Respondents UBS and Bradford on or about: April 22, 2004.

Statement of Answer filed by Respondent Brandon on or about: April 22, 2004.

Respondent UBS signed the Uniform Submission Agreements: March 16, 2004 and April 13, 2004.

Respondent Bradford signed the Uniform Submission Agreement: July 9, 2004.

Respondent Brandon signed the Uniform Submission Agreement: May 4, 2004.

**CASE SUMMARY**

Claimant asserted the following causes of action: fraud or deceit, Alabama Securities Act, Ala. Code Section 8-6-19(a)(1); omissions, Alabama Securities Act, Ala. Code Section 8-6-19(a)(2); suppression, Ala. Code Section 6-5-102; unauthorized trading and breach of contract, NASD Conduct Rule 2510(b); unsuitability, unfair dealing and breach of contract, NASD Conduct Rule 2310; breach of fiduciary duties; and, NASD Conduct Rule 3010, failure to supervise. The causes of action relate to the purchase and sale of shares of AdTran and WorldCom stock in Claimant's account.

Unless specifically admitted in their Answers, Respondents denied the allegations made in the

Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested the sum of \$101,679.32, punitive damages, interest, costs and fees of the arbitration proceeding and reasonable attorneys' fees.

Respondents requested that the arbitration panel dismiss the Statement of Claim and award Respondents their costs and attorneys' fees for defending this claim

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

The parties have agreed that the Award in this matter may be executed in counterpart copies.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

There is no award for Claimant and all claims are denied.

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages and the parties' requests for costs and attorneys' fees, are denied.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (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	= \$300.00
--------------------------	------------

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm UBS is a party. Respondent Bradford was no longer a member firm of NASD at the time of the filing of the Statement of Claim in this matter.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$750.00
Hearing process fee	= \$2,750.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

### **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.

November 10 and 11, 2004 hearing dates. Three-day cancellation fee assessed to Claimant 50% and Respondent UBS 50%.

### **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.

No injunctive relief fees were incurred in this matter.

### **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: August 2, 2004 1 session	
Two (2) Pre-hearing sessions with the Panel @ \$1,125.00	= \$2,250.00
Pre-hearing conferences: June 21, 2004 1 session	
November 9, 2004 1 session	
Four (4) Hearing sessions @ \$1,125.00	= \$4,500.00
Hearing Dates: December 16, 2004 2 sessions	
December 17, 2004 2 sessions	
Total Forum Fees	= \$7,200.00

The Panel has assessed \$3,600.00 of the forum fees to Claimant.

The Panel has assessed \$3,600.00 of the forum fees jointly and severally to Respondents.

### **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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

**FEE SUMMARY**

Claimant is solely liable for:

Initial Filing Fee	= \$300.00
Three-Day Cancellation Fee	= \$150.00
Forum Fees	= \$3,600.00

---

Total Fees	= \$4,050.00
Less payments	= \$1,425.00

---

Balance Due NASD Dispute Resolution	= \$2,625.00
-------------------------------------	--------------

Respondent UBS is solely liable for:

Member Fees	= \$5,200.00
Three-Day Cancellation Fee	= \$150.00

---

Total Fees	= \$5,350.00
Less payments	= \$5,200.00

---

Balance Due NASD Dispute Resolution	= \$150.00
-------------------------------------	------------

Respondents are jointly and severally liable for:

Forum Fees	= \$3,600.00
------------	--------------

---

Total Fees	= \$3,600.00
Less payments	= \$0.00

---

Balance Due NASD Dispute Resolution	= \$3,600.00
-------------------------------------	--------------

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

**ARBITRATION PANEL**

Daniel E. Gulden, Esq.	-	Public Arbitrator, Presiding Chair
John F. O'Neill, Jr., Esq.	-	Public Arbitrator
William C. Crawford	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_/s/\_\_\_\_\_  
Daniel E. Gulden, Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_/s/\_\_\_\_\_  
John F. O'Neill, Jr., Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_/s/\_\_\_\_\_  
William C. Crawford  
Non-Public Arbitrator

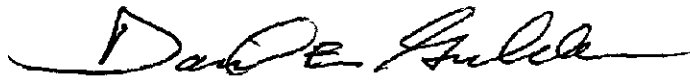
\_\_\_\_\_  
Signature Date

December 23, 2004

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

NASD Dispute Resolution  
Arbitration No. 04-00315  
Award Page 5

Concurring Arbitrators' Signatures



Daniel E. Gulden, Esq.  
Public Arbitrator, Presiding Chair

12/20/04

Signature Date

John F. O'Neill, Jr., Esq.  
Public Arbitrator

Signature Date

William C. Crawford  
Non-Public Arbitrator

Signature Date

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

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Daniel E. Galden, Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
John F. O'Neill, Jr., Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
William C. Crawford  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

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

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Daniel E. Gulden, Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
John F. O'Neill, Jr., Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

William C Crawford

William C. Crawford  
Non-Public Arbitrator

Dec. 21, 2004

Signature Date

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