

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between

Ray and Sarah Noret,
Noret Petroleum Partnership,
Noret Theaters, Inc., and
Showplace, Inc.

v.

UBS PaineWebber, Incorporated,
f/k/a PaineWebber, Inc.,
Montague Hasie, Todd Hasie,
Elizabeth Staley, and A. Bruce Stacy

NASD Arbitration No. 04-00322

Hearing Location: Dallas, Texas

NATURE OF THE DISPUTE

Public Customers v. Member Firm and Associated Persons

REPRESENTATION OF PARTIES

Claimants Ray and Sarah Noret, Noret Petroleum Partnership, Noret Theaters, Inc., and Showplace, Inc. ("Claimants") were represented by Scott Silver of the law firm Blum & Silver, LLP, Coral Springs, Florida.

Respondents UBS Financial Services, Inc. (f/k/a UBS PaineWebber, Incorporated, f/k/a PaineWebber, Inc.), Montague Hasie, Todd Hasie, Elizabeth Staley and A. Bruce Stacy ("Respondents") were represented by Will S. Montgomery and Jeffrey L. Crouch of the law firm Jenkins & Gilchrist, A Professional Corporation, Dallas, Texas.

CASE INFORMATION

Claimants signed the Uniform Submission Agreement on or about January 7, 2004.
Statement of Claim filed on or about January 16, 2004.

Respondents signed their Uniform Submission Agreements on March 30, 2004.
Statement of Answer filed by Respondents on March 12, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: (i) breach of fiduciary duty; (ii) breach of contract; (iii) fraud; (iv) negligent hiring, retention and supervision; (v) negligence; and (vi) violation of NASD and NYSE rules.

Respondents deny all of the claims in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested the following damages:

| | |
|--------------------------------|--------------------|
| Compensatory Damages | \$3,000,000.00 |
| Punitive Damages | Amount unspecified |
| Attorney's fees and forum fees | Amount unspecified |

Respondents requested dismissal of the Statement of Claim in its entirety, an order expunging Claimants' claims from the records maintained by the NASD CRD, costs, and other relief as is just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Claimants and Respondents entered into a confidential settlement agreement. In connection with that agreement, Claimants dismissed all claims with prejudice against Respondents.

Therefore, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

The Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are hereby denied and dismissed with prejudice;
2. The Panel recommends the expungement of all references to the above captioned arbitration from Respondents Montague Hasie, Todd Hasie, Elizabeth Staley and A. Bruce Stacy's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Member 99-09 and 99-54, Respondents Montague Hasie, Todd Hasie, Elizabeth Staley and A. Bruce Stacy must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;

3. Each party shall bear their own costs and expenses associated with the above-referenced arbitration, including attorneys' fees, except as fees are specifically addressed below;
4. Any and all relief not specifically addressed herein 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 = \$ 500.00

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 person(s) at the time of the events giving rise to the dispute. In this matter, the member firm is UBS Financial Services, Inc. (f/k/a UBS PaineWebber, Incorporated, f/k/a PaineWebber, Inc.) and the following member fees are assessed

| | |
|-------------------------|---------------|
| Member Surcharge | = \$ 2,800.00 |
| Pre-Hearing Process Fee | = \$ 750.00 |
| Hearing Process Fee | = \$ 5,000.00 |
| Total Member Fees | = \$ 8,550.00 |

Adjournment Fees

The following adjournment fees are assessed:

April 19-22, 2005 adjournment requested by Respondents = \$ 1,200.00

Forum Fees and Assessments

The Arbitrator/Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

Total Forum Fees = \$ 0.00

No hearing sessions were conducted.

FEE SUMMARY

Claimants Ray and Sarah Noret, Noret Petroleum Partnership, Noret Theaters, Inc., and Showplace, Inc. are jointly and severally liable for:

| | |
|---|---------------------|
| Initial Filing Fee | = \$ 500.00 |
| <u>Less payments</u> | <u>= \$1,700.00</u> |
| Balance refunded by NASD Dispute Resolution | = \$1,200.00 |

Respondents UBS Financial Services, Inc. (f/k/a UBS PaineWebber, Incorporated, f/k/a PaineWebber, Inc.) Montague Hasie, Todd Hasie, Elizabeth Staley and A. Bruce Stacy are jointly and severally liable for:

| | |
|-------------------------------------|----------------------|
| Adjournment Fee | = \$ 1,200.00 |
| <u>Less payments</u> | <u>= \$ 1,200.00</u> |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

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

| | |
|-------------------------------------|----------------------|
| Member Fees | = \$ 8,550.00 |
| <u>Less payments</u> | <u>= \$ 8,550.00</u> |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

All balances are due and payable to NASD Dispute Resolution.

ARBITRATION PANEL

K. Steve Kimball, CFA - Public Arbitrator, Presiding Chairperson
L.E. Machin - Public Arbitrator
Charles T. Dix - Non-Public Arbitrator

Parties' Signatures

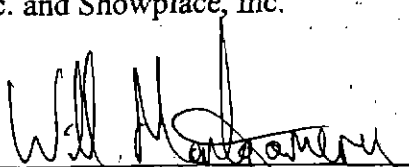


Scott Silver

Attorney for Claimants Ray and Sarah Noret
Noret Petroleum, Partnership, Noret Theaters,
Inc. and Showplace, Inc.

9/13/05

Signature Date



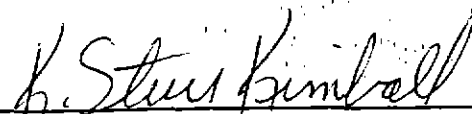
Will S. Montgomery

Attorney for Respondents UBS PaineWebber,
Incorporated, f/k/a PaineWebber, Inc.,
Montague Hasie, Todd Hasie, Elizabeth
Staley and A. Bruce Stacy

8/31/05

Signature Date

Concurring Arbitrators' Signatures



K. Steve Kimball, CFA, Presiding Chairperson


Signature Date

L.E. Machin, Panelist

Signature Date

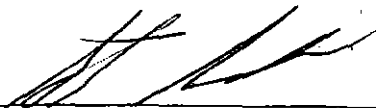
Charles T. Dix, Panelist

Signature Date

12/9/05 

Date Stipulated Award Served by NASD


Parties' Signatures



Scott Silver
Attorney for Claimants Ray and Sarah Noret
Noret Petroleum, Partnership, Noret Theaters,
Inc. and Showplace, Inc.

9/13/05

Signature Date



Will S. Montgomery
Attorney for Respondents UBS PaineWebber,
Incorporated, f/k/a PaineWebber, Inc.,
Montague Hasie, Todd Hasie, Elizabeth
Staley and A. Bruce Stacy

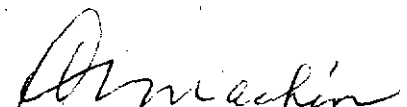
8/31/05

Signature Date

Concurring Arbitrators' Signatures

K. Steve Kimball, CFA, Presiding Chairperson

Signature Date



L.E. Machin, Panelist

Oct. 22/05

Signature Date

Charles T. Dix, Panelist

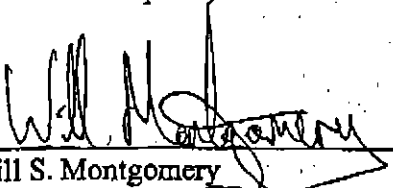
Signature Date

12/9/05 dlm

Date Stipulated Award Served by NASD

Parties' Signatures

Scott SilverAttorney for Claimants Ray and Sarah Noret
Noret Petroleum, Partnership, Noret Theaters,
Inc. and Showplace, Inc.9/13/05

Signature Date

Will S. MontgomeryAttorney for Respondents UBS PaineWebber,
Incorporated, f/k/a PaineWebber, Inc.,
Montague Hasie, Todd Hasie, Elizabeth
Staley and A. Bruce Stacy8/31/05

Signature Date**Concurring Arbitrators' Signatures**_____
K. Steve Kimball, CFA, Presiding Chairperson_____
Signature Date_____
L.E. Machin, Panelist_____
Signature Date

Charles T. Dix, Panelist11-7-05

Signature Date12/9/05 Mly

Date Stipulated Award Served by NASD