

**AWARD**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Name of Claimants

Sander Stagman and Frances Goldberg

and

04-01514  
Chicago, Illinois

Name of Respondent

UBS Financial Services Inc. f/k/a UBS PaineWebber, Inc.

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Nature of the Dispute: Customer vs. Member.

**REPRESENTATION OF PARTIES**

Sander Stagman ("**Claimant**") or ("**Sander**") and Frances Goldberg (deceased). Sander Stagman appeared *pro se*.

UBS Financial Services Inc. f/k/a UBS PaineWebber, Inc. ("**Respondent**") was represented by Michael F. Braun, Esq., Schuyler Roche & Zwirner, P.C., Chicago, Illinois.

**CASE INFORMATION**

The Statement of Claim was filed on or about March 5, 2004. Submission Agreement of Claimants Sander Stagman and Frances Goldberg was signed on March 4, 2004.

Statement of Answer was filed by Respondent UBS Financial Services Inc. f/k/a UBS PaineWebber, Inc. on or about May 7, 2004. Submission Agreement of Respondent UBS Financial Services Inc. f/k/a UBS PaineWebber, Inc. was signed on May 5, 2004.

**CASE SUMMARY**

Claimant asserted the following causes of action: breach of Master Account Agreement-Non-Disclosure of Confidential and Material Non-Public Information; breach of Master Account Agreement-Violation of Terms Relating to Joint Accounts; breach of Agency Relationship; breach of fiduciary duty; conversion; and negligence. Claimant specifically alleged:

Sander brings this action against UBS for UBS' violations of the Master Account Agreement and to recover money owed to Sander by UBS. Stagman was a joint account holder on UBS account no. NI-57521 (the "joint account") with his mother, Frances M. Goldberg

("Goldberg"). On March 6, 2003, Sander deposited a check for \$495,000.00 into the joint account at UBS' branch in Northbrook, Illinois. Sander received a deposit slip from the bank teller verifying the deposit into the joint account. After Sander left with his deposit slip, UBS and its employees unlawfully intercepted and diverted the deposit into a different bank account.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically stated:

The Statement of Claim asserts that UBS somehow acted improperly when it honored the express written instructions of the drawer of a check as to which of her accounts at UBS the drawer wished the proceeds of the check to be deposited into. UBS would have been remiss, and liable, had it disregarded the clear, written directions as to the proper disposition of the check at issue. Sander attempts to create liability for what he contends are breaches of contract by misconstruing, and selectively quoting, from provisions of the master Account Agreement. These provisions, in fact, have no application to what is alleged to have occurred here.

#### **RELIEF REQUESTED**

Claimants requested an award in their favor and against UBS Financial Services, Inc. granting the following relief:

1. An award in the amount of \$495,000.00;
2. Punitive damages in an amount to deter UBS' actions from repeat occurrence;
3. Costs and attorneys fees in pursuing this action; and
4. Such further relief as is just and proper.

Respondent requested that the Statement of Claim of Sander Stagman be dismissed in its entirety with prejudice and that Sander Stagman be ordered to pay all costs of this arbitration. In addition, UBS requested an award of its attorneys' fees and costs in an amount to be proved at the hearing in this matter.

#### **OTHER ISSUES CONSIDERED & DECIDED**

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 the NASD Dispute Resolution (the "NASD").

### **AWARD**

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted in this matter are hereby dismissed.
2. The counterclaim asserted in this matter is hereby dismissed.
3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

### **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 = \$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(s) is UBS Financial Services Inc. f/k/a UBS PaineWebber, Inc.

|                         |    |          |
|-------------------------|----|----------|
| Member surcharge        | \$ | 1,700.00 |
| Pre-hearing process fee | \$ | 750.00   |
| Hearing process fee     | \$ | 2,750.00 |
| Total Member Fees       | \$ | 5,200.00 |

**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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

|   |                                   |   |          |    |                  |
|---|-----------------------------------|---|----------|----|------------------|
| 1 | Pre-hearing session(s) with Panel | x | 1,125.00 | \$ | 1,125.00         |
|   | August 26, 2004                   | 1 | session  |    |                  |
| 9 | Hearing sessions                  | x | 1,125.00 | \$ | 10,125.00        |
|   | January 11, 2005                  | 2 | sessions |    |                  |
|   | January 12, 2005                  | 2 | sessions |    |                  |
|   | January 13, 2005                  | 2 | sessions |    |                  |
|   | January 14, 2005                  | 1 | session  |    |                  |
|   | June 1, 2005                      | 2 | sessions |    |                  |
|   | Total Forum Fees                  |   |          | \$ | <u>11,250.00</u> |

The Arbitration Panel has assessed \$1,125.00 of the forum fees to Sander Stagman and Frances Goldberg.

The Arbitration Panel has assessed \$10,125.00 of the forum fees to UBS Financial Services Inc. f/k/a UBS PaineWebber, Inc.

**Fee Summary**

Claimants, Sander Stagman and Frances Goldberg shall be and hereby are jointly and severally liable for:

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

Respondent, UBS Financial Services Inc. f/k/a UBS PaineWebber, Inc., shall be and hereby is liable for:

|                                     |      |                  |
|-------------------------------------|------|------------------|
| Member Fees                         | = \$ | 5,200.00         |
| <u>Forum Fees</u>                   | = \$ | <u>10,125.00</u> |
| Total Fees                          | = \$ | 15,325.00        |
| <u>Less payments</u>                | = \$ | <u>-5,650.00</u> |
| Balance Due NASD Dispute Resolution | = \$ | 9,675.00         |

**All balances are due to NASD Dispute Resolution**

**ARBITRATION PANEL**

Sheldon I. Saitlin, Esq. - Public Arbitrator, Presiding Chair  
Stuart D. Perlman, Esq. - Public Arbitrator  
Steven Samson, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Sheldon I. Saitlin  
Sheldon I. Saitlin, Esq.  
Public Arbitrator, Presiding Chair

June 29, 2005  
Signature Date

/s/ Stuart D. Perlman  
Stuart D. Perlman, Esq.  
Public Arbitrator

June 29, 2005  
Signature Date

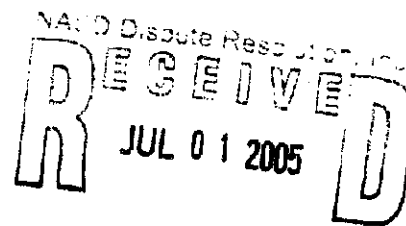
/s/ Steven Samson  
Steven Samson, Esq.  
Non-Public Arbitrator

July 11, 2005  
Signature Date

**RECEIVED**  
JUL 11 2005

Date of Service (For NASD office use only)


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Sheldon I. Saitlin, Esq. - Public Arbitrator, Presiding Chair  
Stuart D. Perlman, Esq. - Public Arbitrator  
Steven Samson, Esq. - Non-Public Arbitrator

**Concurring Arbitrators:**

  
\_\_\_\_\_  
Sheldon I. Saitlin, Esq.  
Public Arbitrator, Presiding Chair

6/28/05  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Stuart D. Perlman, Esq.  
Public Arbitrator

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

\_\_\_\_\_  
Steven Samson, Esq.  
Non-Public Arbitrator

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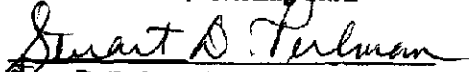
NASD Dispute Resolution  
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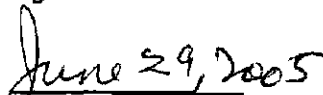
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Public Arbitrator, Presiding Chair

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Signature Date

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Stuart D. Perlman, Esq.  
Public Arbitrator

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Signature Date

\_\_\_\_\_  
*Steven Samson*  
Steven Samson, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
7/11/05  
Signature Date

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