

**AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

UBS Financial Services Inc.

and

04-02304
Phoenix, Arizona

Name of Respondent

Christopher E. Chen

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

UBS Financial Services Inc. ("**Claimant**") was represented by David L. Becker, Esq., Davidson & Grannum, LLP, Northvale, New Jersey.

Christopher E. Chen ("**Respondent**") appeared *pro se*.

CASE INFORMATION

The Statement of Claim was filed on or about April 2, 2004. Motion for an Award by Default or Motion to Bar Defenses was filed on or about July 12, 2004. Reply to Respondent's Statement of Answer and Motion for Summary Judgment was filed on or about September 8, 2004. Motion to Preclude was filed on or about February 28, 2005. Submission Agreement of Claimant UBS Financial Services Inc. was signed on February 3, 2004 by John Sfera.

Statement of Answer dated August 22, 2004 was filed by Respondent Christopher E. Chen. Letter response to Motion for an Award by Default or Motion to Bar Defenses was dated August 10, 2004. Letter response to Reply to Respondent's Statement of Answer and Motion for Summary Judgment was filed on or about September 22, 2004. Letter response to Motion to Preclude was filed on or about March 7, 2005. Submission Agreement of Respondent Christopher E. Chen was signed on August 22, 2004.

CASE SUMMARY

Claimant alleged that Respondent failed to repay a promissory note.

Respondent asserted that he should not be responsible for the remaining balance on the promissory note. In support of that assertion, Respondent specifically stated:

... UBS Financial Services, Inc. and their management, specifically Mr. Greg Glenn, supported a work environment that was conducive to churning, misrepresentation, unsuitability and more importantly a complete breach of their fiduciary responsibility. It was this work environment and the management teams recommendations that I participate in activity that was not in the clients best interest that left me with no choice but to leave UBS Financial Services.

RELIEF REQUESTED

Claimant requested an award in its favor against Respondent as follows:

- a) Money damages in the amount of \$85,050.46 plus interest thereon from September 19, 2003 through the payment of the award;
- b) All costs, fees and disbursements of this action, including attorney's fees; and
- c) Such other and further relief as the Arbitration Panel may deem just and equitable.

Respondent requested that the claims asserted against him be denied.

OTHER ISSUES CONSIDERED & DECIDED

By letter dated October 8, 2004, the parties were advised of the Arbitration Panel's decision to deny the Motion for Summary Judgment.

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 and the post-hearing submissions, if any, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Christopher E. Chen shall be and hereby is liable for and shall pay to Claimant UBS Financial Services Inc. the sum of \$75,000.00 (**Seventy Five Thousand Dollars and No Cents**) as compensatory damages.

2. 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.
3. 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 = \$1,000.00

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.

Member surcharge	\$	1,100.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	1,700.00
Total Member Fees	\$	3,550.00

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	750.00	\$	750.00
August 18, 2004	1	session		
2 Hearing sessions	x	750.00	\$	1,500.00
March 15, 2005	2	sessions		
Total Forum Fees			\$	2,250.00

The Arbitration Panel has assessed \$1,125.00 of the forum fees to UBS Financial Services Inc.

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Fee Summary

Claimant, UBS Financial Services Inc., shall be and hereby is liable for:

Initial Filing Fee	= \$	1,000.00
Member Fees	= \$	3,550.00
<u>Forum Fees</u>	= \$	1,125.00
Total Fees	= \$	5,675.00
<u>Less payments</u>	= \$	-5,300.00
Balance Due NASD Dispute Resolution	= \$	375.00

Respondent, Christopher E. Chen, shall be and hereby is liable for:

<u>Forum Fees</u>	= \$	1,125.00
Total Fees	= \$	1,125.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	1,125.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Paul J. Phillips, Jr. – Non-Public Arbitrator, Presiding Chair
Charles C. DeMoss – Non-Public Arbitrator
Daniel J. Lind – Non-Public Arbitrator

Concurring Arbitrators:

/s/ Paul J. Phillips
Paul J. Phillips, Jr.
Non-Public Arbitrator, Presiding Chair

March 22, 2005
Signature Date

/s/ Charles C. DeMoss
Charles C. DeMoss
Non-Public Arbitrator

March 22, 2005
Signature Date

/s/ Daniel J. Lind
Daniel J. Lind
Non-Public Arbitrator

March 21, 2005
Signature Date

NASD Dispute Resolution
Arbitration No. 04-02304
Award Page 4 of 5

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3/22/05
Signature Date

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Signature Date

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Non-Public Arbitrator

Signature Date

Daniel J. Lind
Non-Public Arbitrator

Signature Date

3.21.05

