

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

John R. Strachan, Jr., Ellen Pappas, Patricia O'Keeffe, Mary Jo Strachan, Angela Strachan, Frances W. Strachan, Individually and as Co-Trustee of the Strachan Long Term Trust Agreement, and R. Guy Chamberlin as Co-Trustee of the Strachan Long Term Trust Agreement (Claimants) v. UBS Financial Services, Inc., formerly UBS Painewebber, Gerald McGinley, Michael Goss, Nicholas Kelly and Mark Wetzel (Respondents) v. John R. Strachan, Sr. and Thomas O'Keeffe (Third Party Respondents)

Case Number: 04-03046

Hearing Site: Albany, New York

Nature of the Dispute: Customers v. Member and Associated Persons v. Customers

REPRESENTATION OF PARTIES

Claimants John R. Strachan, Jr., Ellen Pappas, Patricia O'Keeffe, Mary Jo Strachan, Angela Strachan, Frances W. Strachan, Individually and as Co-Trustee of the Strachan Long Term Trust Agreement, and R. Guy Chamberlin as Co-Trustee of the Strachan Long Term Trust Agreement hereinafter collectively referred to as "Claimants": Brian W. Devane, Esq., Dreyer Boyajian LLP, Albany, NY.

Respondents UBS Financial Services, Inc., formerly UBS Painewebber, Gerald McGinley, Michael Goss, Nicholas Kelly and Mark Wetzel hereinafter collectively referred to as "Respondents": Jonathan L. Hochman, Esq., Schindler Cohen & Hochman LLP, New York, NY.

Third-Party Respondents John R. Strachan, Sr. and Thomas O'Keeffe hereinafter referred to as "Third-Party Respondents": Brian W. Devane, Esq., Dreyer Boyajian, LLP, Albany, NY.

CASE INFORMATION

Statement of Claim filed on or about: April 24, 2004.

Claimant Angela Strachan signed the Uniform Submission Agreement: April 22, 2004.

Claimant Frances W. Strachan signed the Uniform Submission Agreement: April 22, 2004.

Claimant John R. Strachan, Jr. signed the Uniform Submission Agreement: April 23, 2004.

Claimant Patricia O'Keeffe signed the Uniform Submission Agreement: April 23, 2004.

Claimant Mary Jo Strachan signed the Uniform Submission Agreement: April 22, 2004.

Claimant Ellen Pappas signed the Uniform Submission Agreement: April 22, 2004.

Claimant R. Guy Chamberlin signed the Uniform Submission Agreement: April 22, 2004.

Respondents' Joint Statement of Answer, Counterclaims and Third-Party Claims filed on or about: July 22, 2003.

Respondent UBS Financial Services, Inc. signed the Uniform Submission Agreement: July 10, 2004.

Respondent Michael Gross signed the Uniform Submission Agreement: July 20, 2004.

Respondent Mark R. Wetzel signed the Uniform Submission Agreement: July 21, 2004.

Respondent Nicholas J. Kelly signed the Uniform Submission Agreement: July 20, 2004.

Respondent Gerald H. McGinley signed the Uniform Submission Agreement: July 21, 2004.

John R. Strachan, Sr. did not submit a Statement of Answer or sign the Uniform Submission Agreement.

Thomas O'Keeffe did not submit a Statement of Answer or sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; failure to supervise; breach of fiduciary duty; unauthorized trading; and violations of §10(b)(5) of the Securities and Exchange Act. The causes of action relate to unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$5,009,261.04; plus fees and commissions pertaining to the unauthorized transactions; attorneys' fees; forum fees; costs incurred in bringing this action; and interest on damages.

Respondents requested that the case be dismissed with prejudice and expunged from the CRD records of Messrs. McGinley, Kelly, Wetzel and Goss; attorneys' fees; forum fees; costs of this proceeding; and such other and further relief as is just and proper. To the extent that any award is rendered against Respondents, they request an award in their favor in that amount; plus attorneys' fees; forum fees; costs of this proceeding and such other and further relief as is just against Third-Party Respondents. To the extent any award is rendered in favor of the Strachan Long Term Trust against Respondents, they request an award in their favor in that amount; plus attorneys' fees; forum fees; costs of this proceeding; and such other and further relief as may be just and proper against Counterclaim Respondents R. Guy Chamberlin and Frances Weir Strachan.

OTHER ISSUES CONSIDERED AND DECIDED

John R. Strachan, Sr. and Thomas O'Keeffe did not file with NASD Dispute Resolution properly executed submission agreements and are not required to submit to arbitration.

On or about November 9, 2004, Claimants notified NASD Dispute Resolution that they withdrew their claims against the individual Respondents.

On or about February 8, 2005 the parties entered into a settlement agreement and agreed to present a Stipulated Award to the Panel.

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

After considering the pleadings, the testimony and evidence presented at the hearing and upon motion of both parties for an entry of a stipulated award the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims, counterclaims, and third-party claims, having been withdrawn by the parties, are hereby dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Michael E. Goss' registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Michael E. Goss must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents. Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure, the arbitration panel has made the following affirmative findings of fact: The claim, allegation, or information is false.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Gerald H. McGinley's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Gerald H. McGinley must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents. Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure, the arbitration panel has made the following affirmative findings of fact: The claim, allegation, or information is false.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Mark R. Wetzel's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Mark R. Wetzel must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. Unless specifically

waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents. Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure, the arbitration panel has made the following affirmative findings of fact: The claim, allegation, or information is false.

5. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Nicholas J. Kelly's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Nicholas J. Kelly must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents. Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure, the arbitration panel has made the following affirmative findings of fact: The claim, allegation, or information is false.
6. 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; and
7. Other than the forum fees noted below, the parties shall 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	= \$ 600.00
Counterclaim filing fee	= \$ 2,500.00

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 persons at the time of the events giving rise to the dispute. In this matter, UBS Financial Services, Inc. is a party.

Member Surcharge	= \$ 3,350.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

May 17, 2005, adjournment by UBS	= Waived
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Forum Fees and Assessments

The 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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,200.00 per session = \$ 2,400.00

Pre-hearing conferences:	September 23, 2004	1 session
	June 16, 2005	1 session

One (1) Hearing session with the Panel @ \$1,200.00 per session = \$ 1,200.00

Hearing:	September 28, 2005	1 session
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Total Forum Fees = \$ 3,600.00

1. The Panel has assessed \$2,400.00 of the forum fees jointly and severally against the Claimants.
2. The Panel has assessed \$1,200.00 of the forum fees jointly and severally against the Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 2,400.00</u>
Total Fees	= \$ 3,000.00
<u>Less payments</u>	<u>= \$ 3,000.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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

<u>Member Fees</u>	<u>= \$ 9,600.00</u>
Total Fees	= \$ 9,600.00
<u>Less payments</u>	<u>= \$ 9,600.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

Counterclaim Filing Fee	= \$ 2,500.00
<u>Forum Fees</u>	<u>= \$ 1,200.00</u>
Total Fees	= \$ 3,700.00
<u>Less payments</u>	<u>= \$ 3,700.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due and payable to NASD Dispute Resolution.

ARBITRATION PANEL

Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Public Arbitrator, Presiding Chair

Signature Date

Public Arbitrator

Signature Date

Non-Public Arbitrator

Signature Date

February 2, 2006

Date of Service (For NASD office use only)

ARBITRATION PANEL

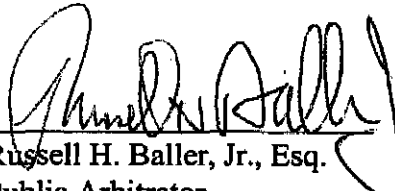
Donald R. Bluth	-	Public Arbitrator, Presiding Chair
Russell H. Baller, Jr., Esq.	-	Public Arbitrator
Robert L. Spangler	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Donald R. Bluth
Public Arbitrator, Presiding Chair

Signature Date



Russell H. Baller, Jr., Esq.
Public Arbitrator

12/19/05
Signature Date

Robert L. Spangler
Non-Public Arbitrator

Signature Date

February 2, 2006

Date of Service (For NASD office use only)

ARBITRATION PANEL

Donald R. Bluth	-	Public Arbitrator, Presiding Chair
Russell H. Baller, Jr., Esq.	-	Public Arbitrator
Robert L. Spangler	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

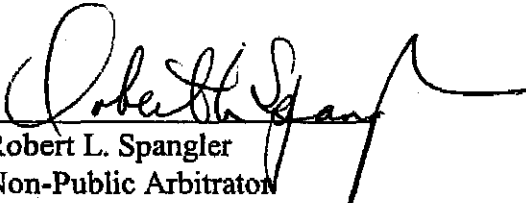
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Donald R. Bluth
Public Arbitrator, Presiding Chair

Signature Date

Russell H. Baller, Jr., Esq.
Public Arbitrator

Signature Date



Robert L. Spangler
Non-Public Arbitrator

12/15/05

Signature Date

February 2, 2006

Date of Service (For NASD office use only)