

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Carol Len Clark

and

Case Number: 04-04380
Hearing Site: Houston, Texas

Names of Respondents

UBS Financial Services, Inc., and
UBS Warburg, LLC n/k/a UBS Securities, LLC

NATURE OF DISPUTE

Customer v. Member Firms

REPRESENTATION OF PARTIES

Carol Len Clark ("**Claimant**") was represented by Dawn R. Meade, Esq. and David Augustus, Esq., Spencer & Associates, PC, Houston, Texas.

UBS Financial Services, Inc. ("**UBS Financial**") and UBS Warburg, LLC ("**Warburg**"), hereinafter collectively referred to as "Respondents," were represented by Rodney Acker, Esq. and Steve Dollar, Esq., Jenkins & Gilchrist, PC, Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about June 22, 2004. The Submission Agreement of Claimant, Carol Len Clark, was signed on or about October 21, 2002.

The Statement of Answer was filed jointly by Respondents, UBS Financial Services, Inc. and UBS Warburg, LLC, on or about September 2, 2004. The Submission Agreement of Respondent, UBS Financial Services, Inc., was signed on or about July 27, 2004. The Submission Agreement of Respondent, UBS Warburg, LLC, was signed on or about August 24, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, negligence, misrepresentations and omission of facts. The causes of action related to recommendation not to exercise options on, and not to sell Enron stock. Claimant alleged

that Respondents knowingly failed to inform Claimant of the relationship between Respondents and Enron. Claimant alleged that he was misled and relied on Respondents' seemingly independent financial advice when Respondents counseled him with respect to his stock options and other Enron investments. Further, Claimant alleged that Respondents put their financial interest above those of the Claimant by failing to disclose that their own financial advisors and brokers should have known or had reason to believe that the demise of Enron was eminent.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; any losses incurred by Claimant was, in whole or in part, caused by the acts of third parties or by conditions or events outside the control of Respondents; Claimant is barred from recovery by the doctrines of waiver, estoppel, ratification and/or laches; Claimant's claims are barred by his failure to mitigate his damages, if any; Claimant's claims are barred because Respondents acted in good faith at all relevant times; and Claimant is barred from recovery because Respondents' representatives, and other employees, properly supervised the accounts at issue.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$510,778.60
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

On or about December 21, 2005, Claimant filed an Emergency Brief in Support of Exemplary Damages. On or about December 27, 2005, Respondents filed their Response to Claimant's Emergency Brief.

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 NASD Dispute Resolution ("NASD").

AWARD

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

- 1.) Claimant's claims, each and all, are hereby denied and dismissed with prejudice;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 375.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firms are UBS Financial Services, Inc. and UBS Warburg, LLC.

Member surcharge = \$ 2,250.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 4,000.00

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

Two (2) Pre-hearing sessions with Panel x \$1,200.00		= \$ 2,400.00
Pre-hearing conferences:	November 15, 2004	1 session
	December 8, 2005	1 session
Ten (10) Hearing sessions x \$1,200.00		= \$ 12,000.00
Hearing Dates:	December 12, 2005	2 sessions
	December 13, 2005	2 sessions
	December 14, 2005	2 sessions
	December 15, 2005	2 sessions
	December 16, 2005	2 sessions
Total Forum Fees		= \$ 14,400.00

The Arbitration Panel has assessed \$7,200.00 of the forum fees to Carol Len Clark.

The Arbitration Panel has assessed \$7,200.00 of the forum fees jointly and severally to UBS Financial Services, Inc. and UBS Warburg, LLC.

Fee Summary

Claimant, Carol Len Clark, is liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 7,200.00
Total Fees	= \$ 7,575.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 6,000.00

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

Member Fees	= \$ 7,000.00
Total Fees	= \$ 7,000.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, UBS Warburg, LLC, is liable for:

Member Fees	= \$ 7,000.00
Total Fees	= \$ 7,000.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, UBS Financial Services, Inc. and UBS Warburg, LLC, are jointly and severally liable for:

Forum Fees	= \$ 7,200.00
Total Fees	= \$ 7,200.00
Less payments	= \$ 4,000.00

Balance Due NASD Dispute Resolution

= \$ 3,200.00

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

ARBITRATION PANEL

Christine L. Stetson, Esq. - Public Arbitrator, Presiding Chair
Lynne M. Gomez, Esq. - Public Arbitrator
Dolores Martin - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Christine L. Stetson, Esq.
Christine L. Stetson, Esq.
Public Arbitrator, Presiding Chair

January 5, 2006
Signature Date

/s/ Lynne M. Gomez, Esq.
Lynne M. Gomez, Esq.
Public Arbitrator

January 5, 2006
Signature Date

/s/ Dolores Martin
Dolores Martin
Non-Public Arbitrator

January 5, 2006
Signature Date

January 5, 2006
Date of Service (For NASD office use only)

Balance Due NASD Dispute Resolution

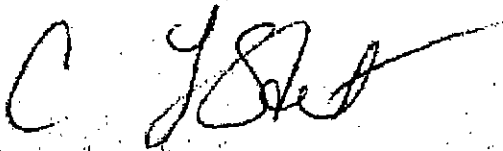
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Signature Date

1-5-06

Signature Date

Signature Date

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