

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

John J. Callanan (Claimant) v. UBS Financial Services, Inc., William B. Savino and John Borgese (Respondents)

Case Number: 04-04384

Hearing Site: Newark, New Jersey

Nature of the Dispute: Customer vs. Member and Associated Persons

REPRESENTATION OF PARTIES

Claimant John J. Callanan ("Claimant") hereinafter referred to as "Claimant": Peter S. Pearlman, Esq., Cohn Lilfand Pearlman Herrmann and Knopf, Saddle Brook, NJ.

Respondents UBS Financial Services, Inc. ("UBS") and John Borgese ("Borgese") hereinafter referred to as "Respondents" Daniel Cantor, Esq., O'Melveny & Myers LLP.

Respondent William B. Savino ("Savino") hereinafter referred to as "Savino" Howard Elisofon, Esq., Herrick Feinstein, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: June 21, 2004.

Claimant signed the Uniform Submission Agreement: June 19, 2004.

Joint Answer filed by the Respondents on or about: September 15, 2004.

Borgese signed the Uniform Submission Agreement: September 23, 2004.

UBS signed the Uniform Submission Agreement: September 23, 2004.

Answer filed by Savino on or about: September 15, 2004.

Savino signed the Uniform Submission Agreement: September 23, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: failure to supervise; negligence; breach of fiduciary duty; misrepresentations and/or non-disclosures; unauthorized trading; suitability, and margin calls.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in Respondent Savino's Answer, Savino denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$9,000,000.00, punitive damages, attorney's fees and costs.

Respondents requested that Claimant's claims be dismissed in their entirety and that Claimant be ordered to pay the costs of this proceeding.

Respondent Savino requested that Claimant's claims be dismissed in their entirety and that Claimant be ordered to pay the costs of this proceeding.

OTHER ISSUES CONSIDERED AND DECIDED

At the conclusion of Claimant's case in chief, all Respondents moved for dismissal of the claim. After due deliberation by the arbitrators, the Panel determined to dismiss Claimant's claims with prejudice.

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 the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are dismissed in their entirety.
2. Claimant is liable for and shall pay to UBS, costs in the amount of \$1,666.66.
3. Claimant is liable for and shall pay to Borgese costs in the amount of \$1,666.66.
4. Claimant is liable for and shall pay to Savino costs in the amount of \$1,666.66.
5. Any and all relief not specifically addressed, including punitive damages 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	= \$ 600.00
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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. Accordingly, 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:

January 5 & 6, 2006 adjournment by the Claimant = Waived

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

January 5 & 6, 2005, adjournment by Claimant = Waived

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A 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 conference sessions with a single arbitrator @ \$450.00 per session
= \$ 900.00

Pre-hearing conferences:	March 1, 2005	1 session
	May 13, 2005	1 session

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

Pre-hearing conferences:	January 10, 2005	1 session
	August 10, 2005	1 session

Seven (7) hearing sessions with Panel @ \$1,200.00 per session = \$ 8,400.00

Hearing dates:	August 2, 2005	2 sessions
	August 3, 2005	2 sessions
	August 9, 2005	1 session
	January 4, 2006	1 session
	May 31, 2006	1 session

Total Forum Fees = \$ 11,700.00

The Panel has assessed \$11,700.00 of the forum fees against the Claimant.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to,

additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

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|--|------|--------|
| 1. Claimant requested duplication of 10 tapes @ \$15.00 per tape | = \$ | 150.00 |
| 2. UBS requested duplication of 10 tapes @ \$15.00 per tape | = \$ | 150.00 |

Fee Summary

- | | | |
|-------------------------------------|------|-------------|
| 1. Claimant is solely liable for: | | |
| Initial Filing Fee | = \$ | 600.00 |
| Administrative Fee | = \$ | 150.00 |
| Forum Fees | = | \$11,700.00 |
| Total Fees | = | \$12,450.00 |
| Less payments | = \$ | 1,950.00 |
| Balance Due NASD Dispute Resolution | = | \$10,500.00 |
| 2. UBS is solely liable for: | | |
| Member Fees | = \$ | 9,600.00 |
| Administrative Fees | = \$ | 150.00 |
| Total Fees | = \$ | 9,750.00 |
| Less payments | = \$ | 9,750.00 |
| Balance Due NASD Dispute Resolution | = \$ | 0.00 |

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

ARBITRATION PANEL

Martin Edelstein, Esq.	-	Public Arbitrator, Presiding Chairperson
Ilyse Roberta Levison	-	Public Arbitrator
Robert J. Gorgia	-	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.



Martin Edelstein, Esq.
Public Arbitrator, Presiding Chairperson

7-25-06
Signature Date

Ilyse Roberta Levison
Public Arbitrator

Signature Date

Robert J. Gorgia
Non-Public Arbitrator

Signature Date

July 28, 2006

Date of Service (For NASD Dispute Resolution use only)

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Public Arbitrator

Signature Date



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Non-Public Arbitrator

7/20/06
Signature Date

July 28, 2006

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