

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Names of Claimants

Richard C. and Anney M. Denney

and

Case Number: 04-06785
Hearing Site: Houston, Texas

Names of Respondents

UBS Financial Services, Inc., and
Thomas Wade Cummings

NATURE OF DISPUTE

Customers v. Member Firm And Associated Person

REPRESENTATION OF PARTIES

Richard C. and Anney M. Denney ("**Claimants**") were represented by Frank V. Ghiselli, Esq., Houston, Texas.

UBS Financial Services, Inc. ("**UBS**") and Thomas Wade Cummings ("**Cummings**"), hereinafter collectively referred to as "**Respondents**," were represented by Jack Ballard, Esq., The Ballard Law Firm, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about September 27, 2004. The Submission Agreement of Claimants, Richard C. and Anney M. Denney, was signed on or about September 20, 2004.

The Statement of Answer was filed jointly by Respondents, UBS Financial Services, Inc. and Thomas Wade Cummings, on or about December 3, 2004. The Submission Agreement of Respondent, UBS Financial Services, Inc., was signed on or about December 2, 2004. The Submission Agreement of Respondent, Thomas Wade Cummings, was signed on or about November 8, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, negligence, failure to supervise, breach of fiduciary duty, misrepresentation, and omission of facts. The

causes of action related to the recommendation and purchase of various unspecified securities. Claimants alleged that their losses were the result of 100% equity allocation, which was too aggressive and unsuitable for their investment objective, risk tolerance and financial position. Also, Claimants alleged that when they became concerned in July 2000 about a sharp down turn in the market, Respondents did not heed their desire to protect their funds and exit the equity mutual funds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim failed to state a claim against Respondents upon which relief can be granted; Claimants are estopped by their conduct from complaining about transactions in their accounts at UBS as they knew of the account objectives and risk tolerances; Claimants have, by their conduct, waived any claims they may have had against Respondents' Claimants ratified, approved, accepted, and confirmed in all respects the acts complained in the Statement of Claim; Claimants assumed the risks of the investments that they made through Respondents; and the Statement of Claim is barred by the applicable Statutes of Limitations.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$473,934.00
Punitive/Exemplary Damages	\$747,868.00
Interest	Unspecified
Attorneys' Fees	Unspecified
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

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 the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimants' claims, each and all, are hereby denied in their entirety;
- 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 = \$ 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 person at the time of the events giving rise to the dispute. In this matter, the member firm is UBS Financial Services, Inc.

Member surcharge = \$ 2,800.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 5,000.00

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:

One (1) Pre-hearing session with Panel x \$1,200.00 = \$ 1,200.00

Pre-hearing conference:	January 21, 2005	1 session	
Seven (7) Hearing sessions x \$1,200.00			= \$ 8,400.00
Hearing Dates:	October 31, 2005	2 sessions	
	November 1, 2005	2 sessions	
	November 2, 2005	2 sessions	
	November 3, 2005	1 session	
Total Forum Fees			= \$ 9,600.00

The Arbitration Panel has assessed \$4,800.00 of the forum fees jointly and severally to Richard C. and Anney M. Denney.

The Arbitration Panel has assessed \$4,800.00 of the forum fees to Thomas Wade Cummings.

Fee Summary

Claimants, Richard C. and Anney M. Denney, are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 4,800.00
Total Fees	= \$ 5,300.00
Less payments	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 3,600.00

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

Member Fees	= \$ 8,550.00
Total Fees	= \$ 8,550.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, Thomas Wade Cummings, is liable for:

Forum Fees	= \$ 4,800.00
Total Fees	= \$ 4,800.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 4,800.00

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

ARBITRATION PANEL

Irwin S. Sugerman - Public Arbitrator, Presiding Chair
Robert Dan Sherrill - Public Arbitrator
Gary D. Danna - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Irwin S. Sugerman
Irwin S. Sugerman
Public Arbitrator, Presiding Chair

November 11, 2005
Signature Date

/s/ Robert Dan Sherrill
Robert Dan Sherrill
Public Arbitrator

November 11, 2005
Signature Date

/s/ Gary D. Danna
Gary D. Danna
Non-Public Arbitrator

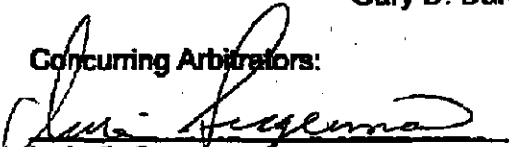
November 11, 2005
Signature Date

November 11, 2005
Date of Service (For NASD office use only)

ARBITRATION PANEL

Irwin S. Sugerman - Public Arbitrator, Presiding Chair
Robert Dan Sherrill - Public Arbitrator
Gary D. Danna - Non-Public Arbitrator

Concurring Arbitrators:


Irwin S. Sugerman
Public Arbitrator, Presiding Chair

11-11-05
Signature Date

Robert Dan Sherrill
Public Arbitrator

Signature Date

Gary D. Danna
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

ARBITRATION PANEL

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Robert Dan Sherrill - Public Arbitrator
Gary D. Danna - Non-Public Arbitrator

Concurring Arbitrators:

Irwin S. Sugerman
Public Arbitrator, Presiding Chair



Robert Dan Sherrill

Public Arbitrator

Signature Date



Signature Date

Gary D. Danna
Non-Public Arbitrator

Signature Date

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Robert Dan Sherrill - Public Arbitrator
Gary D. Danna - Non-Public Arbitrator

Concurring Arbitrators:

Irwin S. Sugerman
Public Arbitrator, Presiding Chair

Signature Date

Robert Dan Sherrill
Public Arbitrator

Signature Date



Gary D. Danna
Non-Public Arbitrator

11-5-2005

Signature Date

Date of Service (For NASD office use only)