

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Vinoy Sood and Krishna Sood (Claimants) vs. UBS Financial Services, Inc., Successor in Interest to PaineWebber, Inc., Peter Cleary, William R. Lee and Michael O'Neil (Respondents)

Case Number: 04-07938

Hearing Site: Cleveland, Ohio

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

REPRESENTATION OF PARTIES

Claimants Vinoy Sood ("V. Sood") and Krishna Sood ("K. Sood") hereinafter collectively referred to as "Claimants": Philip D. Sever, Esq., Emswiller, Williams, Noland & Clarke, Indianapolis, IN.

Respondents UBS Financial Services, Inc. ("UBS"), Peter Cleary ("Cleary") and Michael O'Neil ("O'Neil") hereinafter collectively referred to as "Respondents": Andrew J. Melnick, Esq., UBS Financial Services, Inc., New York, NY.

Respondent William R. Lee hereinafter referred to as "Lee" appeared *pro se*. Previously represented by Philip M. Giordano, Esq., Giordano & Company, P.C. and Reed & Giordano, P.A., Boston, MA.

CASE INFORMATION

Statement of Claim filed on or about: November 12, 2004.

Claimant V. Sood signed the Uniform Submission Agreement: November 27, 2004.

Claimant K. Sood signed the Uniform Submission Agreement: November 27, 2004.

Joint Statement of Answer filed by Respondents on or about: March 4, 2005.

UBS signed the Uniform Submission Agreement: March 10, 2005.

Cleary signed the Uniform Submission Agreement: March 17, 2005.

O'Neil signed the Uniform Submission Agreement: March 30, 2005.

Motion to Dismiss and Statement of Answer filed by Respondent Lee: March 4, 2005.

Lee signed the Uniform Submission Agreement: March 21, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: suitability, negligence, breach of fiduciary duty and failure to supervise. The causes of action relate to equities and options purchased in Claimants' accounts.

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 his Answer, Lee denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$4,144,138.65, disgorgement of commissions and compensation, pre- and post-judgment interest, attorneys' fees and costs, punitive damages and other and further relief the Panel deems just and proper.

Respondents requested dismissal of the Statement of Claim, expungement from Cleary and O'Neil's CRD records, costs, and other relief that the Panel finds just.

Lee requested dismissal of the Statement of Claim in its entirety with prejudice.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 22, 2005, Claimants dismissed their claims with prejudice against Cleary and O'Neil.

On or about April 6, 2006, the parties informed NASD Dispute Resolution that this matter was resolved and on April 20, 2006 submitted the Stipulated Award.

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

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Claimant's claims are dismissed in their entirety with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Peter Cleary's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Peter Cleary 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, the arbitration panel has made the following affirmative findings of fact:

The registered person was not involved in the alleged investment-related sales practice.

3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Michael O'Neil's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Michael O'Neil 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, the arbitration panel has made the following affirmative findings of fact:

The registered person was not involved in the alleged investment-related sales practice.

4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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

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, UBS Financial Services, Inc. is a party.

Member Surcharge = \$ 2,800.00
Pre-Hearing Process Fee = \$ 750.00
Hearing Process Fee = \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

January 24 – 27, 2006, adjournment by Claimants = \$ 400.00
January 24 – 27, 2006, adjournment by UBS = \$ 400.00
January 24 – 27, 2006, adjournment by Lee = \$ 400.00

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:

One (1) Pre-hearing conference session with single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: June 29, 2005 1 session

One (1) Pre-hearing conference session with the Panel @ \$1,200.00 = \$ 1,200.00
Pre-hearing conference: May 27, 2005 1 session

Total Forum Fees = \$ 1,650.00

1. The parties agreed Claimant V. Sood shall pay \$275.00 of the forum fees.
2. The parties agreed that Claimant K. Sood shall pay \$275.00 of the forum fees.
3. The parties agreed that UBS shall pay \$275.00 of the forum fees.
4. The parties agreed that Cleary shall pay \$275.00 of the forum fees.
5. The parties agreed that Lee shall pay \$275.00 of the forum fees.
6. The parties agreed that O'Neil shall pay \$275.00 of the forum fees.

Fee Summary

1. Claimants are solely liable for:

Initial Filing Fee	= \$ 600.00
<u>Adjournment Fee</u>	= \$ 400.00
Total Fees	= \$ 1,000.00
<u>Less payments</u>	= \$ 1,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Claimant V. Sood is solely liable for:

Forum Fees	= \$ 275.00
Total Fees	= \$ 275.00
<u>Less payments</u>	= \$ 525.00
Refund Due Claimant	= \$ 250.00

3. Claimant K. Sood is solely liable for:

Forum Fees	= \$ 275.00
Total Fees	= \$ 275.00
<u>Less payments</u>	= \$ 275.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

Member Fees	= \$ 8,550.00
Adjournment Fee	= \$ 400.00
Forum Fees	= \$ 275.00
Total Fees	= \$ 9,225.00
<u>Less Payments</u>	= \$ 8,950.00
Balance Due NASD Dispute Resolution	= \$ 275.00

5. Respondent Cleary is solely liable for:

Forum Fees	= \$ 275.00
Total Fees	= \$ 275.00
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 275.00

6. Respondent O'Neil is solely liable for:

Forum Fees	= \$ 275.00
Total Fees	= \$ 275.00
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 275.00

7. Respondent Lee is solely liable for:

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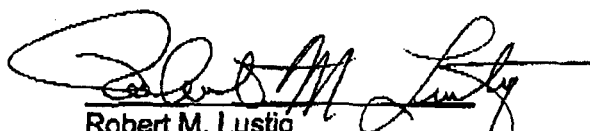
Forum Fees	= \$	275.00
Adjournment Fee	= \$	400.00
Total Fees	= \$	675.00
Less Payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	675.00

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

ARBITRATION PANEL

Robert M. Lustig	-	Public Arbitrator, Presiding Chairperson
Kevin R. Zehe	-	Public Arbitrator
John P. McGinty	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Robert M. Lustig
Public Arbitrator, Presiding Chairperson

8/16/05
Signature Date

Kevin R. Zehe
Public Arbitrator

Signature Date

John P. McGinty
Non-Public Arbitrator

Signature Date

August 23, 2006
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Robert M. Lustig	-	Public Arbitrator, Presiding Chairperson
Kevin R. Zehe	-	Public Arbitrator
John P. McGinty	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Robert M. Lustig
Public Arbitrator, Presiding Chairperson

Signature Date



Kevin R. Zehe
Public Arbitrator



Signature Date

John P. McGinty
Non-Public Arbitrator

Signature Date

August 23, 2006
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Concurring Arbitrators' Signatures

Robert M. Lustig
Public Arbitrator, Presiding Chairperson

Signature Date

Kevin R. Zehe
Public Arbitrator

Signature Date



John P. McGinty
Non-Public Arbitrator

8-16-06
Signature Date

August 23, 2006

Date of Service (For NASD Dispute Resolution use only)