

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Said Mudafort Farah

Case Number: 14-00657

vs.

Respondent
UBS Financial Services, Inc. of Puerto Rico

Hearing Site: San Juan, Puerto Rico

Nature of the Dispute: Customer vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimant Said Mudafort Farah: Robert Wayne Pearce, Esq., Law Offices of Robert Wayne Pearce, Boca Raton, Florida and Julio C. Cayere-Quidgley, Esq., Cayere-Quidgley Legal Services, P.S.C., San Juan, Puerto Rico.

For Respondent UBS Financial Services, Inc. of Puerto Rico ("UBSPR"): Matt Wolper, Esq., Wes Holston, Esq. and Richard Szuch, Esq., Bressler, Amery & Ross, P.C, Fort Lauderdale, Florida.

CASE INFORMATION

Statement of Claim filed on or about: February 27, 2014.

Said Mudafort Farah signed the Submission Agreement: February 27, 2014.

Statement of Answer filed by Respondent on or about: June 2, 2014.

UBSPR signed the Submission Agreement: March 12, 2014.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: misrepresentations; unsuitable recommendations; overconcentration; violation of FINRA's Code of Conduct and Puerto Rico securities laws; fraud; breach of fiduciary duty; negligence; and failure to supervise. The causes of action relate to, among other things, Claimant's investments in Puerto Rico closed-end mutual funds concentrated in Puerto Rico bonds.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: rescission or, alternatively, an unspecified amount of compensatory damages; lost opportunity damages; interest; punitive damages; costs; and attorneys' fees.

In the Statement of Answer, Respondent requested: denial of the Statement of Claim in its entirety, with prejudice; costs; expungement of all references to this matter from non-party Ramon Manuel Almonte's Central Registration Depository ("CRD") record; and for such other and further relief as the Panel deemed just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

During the evidentiary hearings, Respondent did not pursue its request for a recommendation of expungement of all references to this matter from the CRD record of non-party Ramon Manuel Almonte (CRD # 1014799), as previously requested in Respondent's Statement of Answer. Therefore, the Panel deemed Respondent's expungement request to be withdrawn and made no determinations with respect thereto.

During the August 23, 2015, evidentiary hearing, the non-public arbitrator recused himself and, in lieu of replacing him, the parties agreed to proceed with the remaining two arbitrators.

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.

AWARD

After considering the pleadings, the testimony and evidence presented at the in-person recorded hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent UBSPR is liable for and shall pay to Claimant compensatory damages in the amount of \$600,000.00.
2. Respondent UBSPR is liable for and shall pay to Claimant interest at the rate of 4% per annum from March 12, 2013, until paid.
3. Respondent is liable for and shall pay to Claimant \$250.00 as reimbursement for the non-refundable portion of Claimant's initial claim filing fee previously paid to FINRA Dispute Resolution.
4. Claimant's request for costs is denied.
5. Respondent's request for costs is denied.

6. Any and all relief not specifically addressed herein, including Claimant's requests for attorneys' fees and punitive damages, is denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$ 1,250.00
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*The filing fee is made up of a non-refundable and a refundable portion.

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent UBSPR is assessed the following:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 2,200.00

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

One (1) Decision on a discovery-related motion on the papers with <u>one</u> (1) arbitrator @ \$200.00 per decision	= \$ 200.00
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Respondent submitted one (1) discovery-related motion

Total Discovery-Related Motion Fee	= \$ 200.00
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The Panel has assessed the total discovery-related motion fee in the amount of \$200.00 solely to Respondent.

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena with <u>one</u> (1) arbitrator @ \$200.00	= \$ 200.00
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Total Contested Motion for Issuance of Subpoena Fee	= \$ 200.00
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The Panel has assessed the total contested motion for issuance of a subpoena fee in the amount of \$200.00 solely to Respondent.

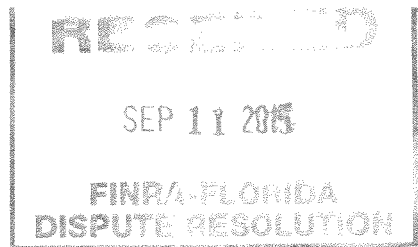
Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Four (4) Pre-hearing sessions with a single arbitrator @ \$450.00/session		= \$ 1,800.00
Pre-hearing conference(s):	January 7, 2015	1 session
	January 15, 2015	1 session
	March 6, 2015	1 session
	July 15, 2015	1 session
Three (3) Pre-hearing sessions with the Panel @ \$1,000.00/session		= \$ 3,000.00
Pre-hearing conferences:	August 11, 2014	1 session
	April 8, 2015	1 session
	August 20, 2015	1 session
Seventeen (17) Hearing sessions @ \$1,000.00/session		= \$17,000.00
Hearing Dates:	August 22, 2015	2 sessions
	August 23, 2015	1 session
	August 24, 2015	3 sessions
	August 25, 2015	2 sessions
	August 26, 2015	3 sessions
	August 27, 2015	3 sessions
	August 28, 2015	2 sessions
	August 29, 2015	1 session
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Total Hearing Session Fees		= \$21,800.00

The Panel has assessed the total hearing session fees in the amount of \$21,800.00 solely to Respondent.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.



ARBITRATION PANEL

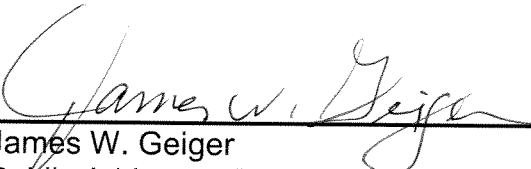
James W. Geiger
John D. Mattingly

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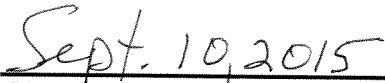
Public Arbitrator, Presiding Chairperson
Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures



James W. Geiger
Public Arbitrator, Presiding Chairperson



Signature Date

John D. Mattingly
Public Arbitrator

Signature Date

SEPTEMBER 11, 2015

Date of Service (For FINRA Dispute Resolution office use only)

ARBITRATION PANEL

James W. Geiger - Public Arbitrator, Presiding Chairperson
John D. Mattingly - Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures

James W. Geiger
Public Arbitrator, Presiding Chairperson

Signature Date



John D. Mattingly
Public Arbitrator

10 Sept, 2015
Signature Date

SEPTEMBER 11, 2015

Date of Service (For FINRA Dispute Resolution office use only)