

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Yolanda Bauza

Case Number: 13-03048

vs.

Respondents
UBS Financial Services, Inc.
UBS Financial Services of Puerto Rico Inc.

Hearing Site: Washington, D.C.

Nature of the Dispute: Customer vs. Members

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimant Yolanda Bauza: W. Scott Greco, Esq., Greco & Greco, P.C., McLean, Virginia.

For Respondents UBS Financial Services Inc. ("UBS") and UBS Financial Services of Puerto Rico Inc. ("UBS PR"): A. Inge Selden, III, Esq., Andrea Morgan Greene, Esq. and Kathryn Dietrich Perreault, Esq., Bressler, Amery & Ross, P.C, Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: October 16, 2013.
Yolanda Bauza signed the Submission Agreement: October 11, 2013.

Statement of Answer filed by Respondents on or about: January 31, 2014.
UBS Financial Services Inc. signed the Submission Agreement: November 6, 2013.
UBS Financial Services of Puerto Rico Inc. signed the Submission Agreement:
February 27, 2014.

CASE SUMMARY

Claimant asserted the following causes of action: violation of the Puerto Rico Uniform Securities Act; securities fraud; constructive fraud; breach of contract; negligence; negligent supervision; failure to supervise; breach of fiduciary duty; misrepresentation; omission of facts; manipulation; unsuitability; common law fraud; constructive fraud; and respondeat superior. The causes of action relate to Claimant's purchase of shares of Puerto Rico Fixed Income Funds I, II and III and Puerto Rico Investors Bond Fund.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: rescission of the closed end funds sold to Claimant by Respondents and/or compensatory damages in the amount of approximately \$357,000.00 to \$625,000.00; interest; costs; attorneys' fees; punitive damages; and such other and further relief to which Claimant may be justly entitled as determined by the Panel.

In her pre-hearing brief, Claimant requested compensatory damages between \$399,297.00 and \$702,003.00.

In their Statement of Answer, Respondents requested dismissal of all claims and expungement of this action from the Central Registration Depository ("CRD") records of non-parties David Lugo and Carlos Gonzalez.

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 hearing, Claimant requested sanctions against Respondents for failing to produce documents pursuant to an Order issued by the Chairperson dated January 20, 2015, which Respondents opposed. The Panel deemed Claimant's request for sanctions moot because the Panel determined that Respondents effectively complied with the substance of Claimant's discovery request.

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 recorded in-person hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable and shall pay to Claimant compensatory damages in the sum of \$200,000.00.
2. Respondents' request for expungement of this action from the CRD records of non-parties David Lugo and Carlos Gonzalez is denied.
3. Any and all relief not specifically addressed herein, including Claimant's requests for punitive damages and attorneys' fees, 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 = \$ 1,575.00

**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 parties, Respondents UBS and UBS PR are assessed the following:

Respondent UBS:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 4,000.00

Respondent UBS PR:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 4,000.00

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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00/session = \$ 900.00

Pre-hearing conferences: December 8, 2014 1 session

December 17, 2014 1 session

One (1) Pre-hearing session with the Panel @ \$1,200.00/session = \$ 1,200.00

Pre-hearing conference: April 9, 2014 1 session

Eleven (11) Hearing sessions @ \$1,200.00/session = \$13,200.00

Hearing Dates: March 3, 2015 1 session

March 4, 2015 1 session

April 20, 2015 3 sessions

April 22, 2015 2 sessions

April 23, 2015 2 sessions

April 24, 2015 2 sessions

Total Hearing Session Fees =\$15,300.00

The Panel has assessed \$7,050.00 of the hearing session fees to Claimant.

The Panel has assessed \$7,050.00 of the hearing session fees jointly and severally to Respondents.

The Panel has waived \$1,200.00 of the hearing session fees relating to the March 4, 2015, hearing session.

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

ARBITRATION PANEL

Douglas Earl McLaren	-	Public Arbitrator, Presiding Chairperson
Janet Stern Solomon	-	Public Arbitrator
James R. Stirn	-	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



Douglas Earl McLaren
Public Arbitrator, Presiding Chairperson

05/13/2015
Signature Date

Janet Stern Solomon
Public Arbitrator

Signature Date

James R. Stirn
Public Arbitrator

Signature Date

May 13, 2015

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

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Douglas Earl McLaren	-	Public Arbitrator, Presiding Chairperson
Janet Stern Solomon	-	Public Arbitrator
James R. Stirn	-	Public Arbitrator

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Douglas Earl McLaren
Public Arbitrator, Presiding Chairperson

Signature Date


Janet Stern Solomon
Public Arbitrator

5/13/15

Signature Date

James R. Stirn
Public Arbitrator

Signature Date

May 13, 2015

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Janet Stern Solomon	-	Public Arbitrator
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Concurring Arbitrators' Signatures

Douglas Earl McLaren
Public Arbitrator, Presiding Chairperson

Signature Date

Janet Stern Solomon
Public Arbitrator

Signature Date



James R. Stirn
Public Arbitrator

5-12-2015

Signature Date

May 13, 2015

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