

**STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
DEPARTMENT OF STATE
CONCORD, NEW HAMPSHIRE**

IN THE MATTER OF:

**UBS Financial Services Inc.
(CRD#8174)**

Respondent

COM09-0063

CONSENT ORDER

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, UBS Financial Services Inc., (hereinafter referred to as "UBS"), has submitted an offer of settlement, which the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as "the Bureau") has determined to accept. Accordingly, without admitting or denying the allegations contained herein, the Respondent does hereby consent to the following undertakings and sanctions:

The Facts

1. UBS is a broker-dealer firm with an address on record of 1200 Harbor Boulevard, Weehawken, New Jersey. At the time of the actions that are recited in this petition, UBS was engaged in New Hampshire in the business of buying and selling securities for the accounts of others. At the time of the allegations that are recited in this petition, two UBS sales agents were not licensed in New Hampshire at the time they solicited the securities transaction taking place on or about August 2007 to November 2007 and recited in paragraph 2. The agents engaged in this securities transaction from a UBS branch office located in the State of New York.
2. The relevant time period of the allegations contained in this petition is on or about August 1st, 2007 to November 1st, 2007. During the relevant time period, Investor #1, a single elderly woman from Madbury, New Hampshire, was solicited to sell out of a fixed annuity and into a mutual fund at a time when the two UBS sales agents were not licensed broker-dealer agents with the State of New Hampshire. Based on UBS' recommendations made during the relevant time period, Investor #1 sold her Nationwide Eagle Plus fixed annuity and purchased the Oppenheimer Rochester National Municipal Fund Class A with the proceeds of the annuity. Approximately One Hundred and Thirty Thousand Dollars were invested in the Oppenheimer fund and the fund lost value causing financial harm to Investor #1.

THE LAW

1. UBS and its agents are a broker-dealer within the meaning of RSA 421-B:2.
2. Pursuant to RSA 421-B:6, it is unlawful for any person to transact business in this state as a broker-dealer or broker dealer agent unless such person is licensed under RSA 421-B. UBS violated this section.
3. Pursuant to RSA 421-B:22, the Bureau is entitled to recover the cost of this investigation. UBS is subject to this section.
4. Pursuant to RSA 421-B:26,III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. UBS is subject to this section.
5. Pursuant to RSA 421-B:26,III-a, every person who directly or indirectly controls a person liable under paragraph III, every principal executive officer, or director of such person, every person occupying a similar status or performing a similar function, every employee of such person who materially aids in the act or transaction constituting the violation, and every broker-dealer or agent who materially aids in the acts or transactions constituting the violation either knowingly or negligently, may, upon hearing, and in addition to any other penalty provided by law, be subject to such suspension, revocation, or denial of any registration or license, or administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation, and such administrative action or fine may be imposed in addition to any criminal penalties imposed pursuant to RSA 421-B:24 or civil liabilities imposed pursuant to RSA 421-B:25. UBS is subject to this section.
6. Pursuant to RSA 421-B:26,V, the secretary of state may enter an order of restitution directed to a person who has violated this chapter, or a rule or order under this chapter. Restitution shall be in addition to any other penalty provided for under this chapter. UBS is subject to this section.

II. In view of the foregoing, the Respondent agrees to the following undertaking and sanctions:

1. Respondent agrees that they have voluntarily consented to the entry of this Order and represent and aver that no employee or representative of the Bureau has made any promise, representation or threat to induce their execution.
2. Respondent agrees to waive their right to an administrative hearing and any appeal therein under this chapter.
3. Upon execution of this order by Respondent, Respondent, agrees to pay an administrative fine totaling in the amount of Seven Thousand Five Hundred Dollars (\$7,500) to the State of New Hampshire. Respondent, also agrees to pay the cost of the investigation to the

State of New Hampshire in the amount of Five Thousand Dollars (\$5,000). Total \$12,500. Payment shall be made by 1) United States postal money order, certified check, bank cashier's check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.

4. Upon execution of this order by the Respondent, Respondent will contemporaneously enter into a separate civil settlement with Investor #1. Upon execution of this order Respondent agrees to pay restitution to Investor #1 in the amount of Sixty Thousand Dollars (\$60,000). Payment shall be made by certified check, bank cashier's check, or bank money order made payable to the investor.
5. Respondent agrees that this Order is entered into for purpose of resolving only the matter and issues as described herein with respect to Investor #1 and no other issues pending before the State of New Hampshire. This Order shall have no collateral estoppel, res judicata, evidentiary, or other legal effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this Order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct unrelated to this complaint. Furthermore, this Order shall not disqualify Respondent or any of its affiliates or current employees from any business that they otherwise are qualified or licensed to perform under applicable securities laws in the State of New Hampshire. In addition this Order is not intended to form the basis for any such disqualification.
6. The Respondents may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this consent agreement or create the impression that the consent agreement is without factual basis. Nothing in this provision affects the Respondents' testimonial obligations or right to take legal positions in litigation in which the State of New Hampshire is not a party.

III. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

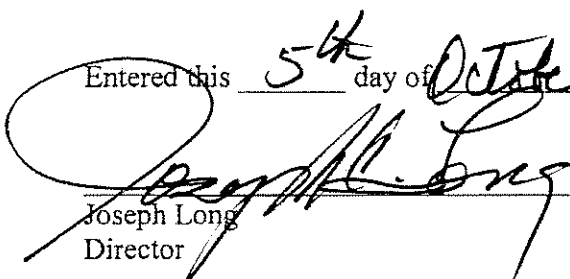
1. Respondent pays an administrative fine in the amount of Seven Thousand Five Hundred Dollars (\$7,500).
2. Respondent pays costs in the amount of Five Thousand Dollars (\$5,000).
3. Respondent pays restitution in the amount of Sixty Thousand Dollars (\$60,000).
4. Respondent shall make all payments upon execution of this Consent.
5. Respondent complies with the above-referenced undertakings.

Executed this 5th day of October, 2010.

A handwritten signature in cursive script, appearing to read "Joy A. Weber", written over a horizontal line.

On behalf of UBS:
Joy A. Weber:
Deputy General Counsel

Entered this 5th day of October, 2010.

A handwritten signature in cursive script, appearing to read "Joseph Long", written over a horizontal line.

Joseph Long
Director