



**DRAFT**

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*InsightOne Suitability*  
**Business Requirements**  
Version 1.0

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# Document Information

## 1.1. Document Revision History

The document version is presented in the title page, with the details provided below. (Note: The ADP version is contained in the document footer.)

### Origin

Version 1.0 Written By	Date
[Redacted]	2/16/04

### Changes

Version No.	Section	Brief Description	Updated By	Date

## 1.2. Document Purpose

Fundamental to the success of a project is a document that identifies, organizes and manages the changing requirements of a project. This business requirement document should be shared among team members and other involved personnel. The following template is offered as a starting point for managing your project's business requirements. Additional information can be included according to your projects needs.

## 1.3. Document Approvals

The following have read and approve the Business Requirements stated within:

Senior Level Review	Signature	Date
[Redacted]	Signature	Date
Business Representative	Signature	Date
[Redacted]	Signature	Date
Project Manager	Signature	Date
[Redacted]	Signature	Date
Lead Analyst	Signature	Date
Architect	Signature	Date
ESS	Signature	Date
Quality Assurance	Signature	Date
Learning & Leadership Solutions	Signature	Date

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Signature

Date

It is the responsibility of the Project Manager to ensure that any additional parties are informed of any possible impact of this project upon their respective departments.

## 2. Overview

### 2.1. Business Objective

The objective of this project is to develop and implement a system to determine client suitability upon the enrollment of a new account in the InsightOne program and on annual basis for active InsightOne accounts. This system consists of multiple components:

1. Online suitability calculator to determine client suitability upon enrollment; this includes a process of blocking InsightOne enrollment for accounts that meet a certain set of criteria
2. Annual review of active accounts to ensure suitability on an ongoing basis (includes a review of all accounts active in InsightOne for at least one year, as of release date); this includes a process of automatically generating client letters and terminating accounts that meet a certain set of criteria; also includes a process to confirm that per-trade minimums are being met
3. Enhanced InsightOne Turnover screen in the Managed Accounts Billing system ("MAB0") to provide FAs with a view of their accounts on an ongoing basis

#### Online Suitability Calculator

The initial suitability review will be based on various information collected on the InsightOne Application, i.e., number of anticipated trades and average principal per trade, over various product types. This information will be entered into an enhanced InsightOne front-end system, which will pass the information to a modular suitability calculator. Using this information, and based either on sources known to be valid or on a number of assumptions to be defined in this document, the suitability calculator will determine the estimated amount of full-rate commissions that would be paid if the trades were to be executed in a standard retail brokerage account. The calculator will also calculate the average discount rate the client received over the preceding 12 months, if that trade data is available. By applying the average discount rate received over the past 12 months (if available) to the estimated amount of full-rate commissions, the calculator will generate a dollar amount which will represent an estimate of the projected commissions waived. This number will then be compared to the estimated annual InsightOne fee, which will be calculated by applying the annual InsightOne fee rate (user-defined in the InsightOne front-end) to the total value of InsightOne eligible assets held in the account at the time the worksheet is completed. If the projected InsightOne fee exceeds the estimate of the projected commissions waived by a certain threshold, the account will be blocked from enrollment in the program. If this InsightOne fee does not exceed this threshold, the account will be deemed eligible for enrollment into the program.

#### Ongoing Suitability Review

On an ongoing basis, this project calls for the implementation of an annual review process for all InsightOne accounts, to be performed each month for accounts with an anniversary date in the preceding month. Using trade data extracted from the Enterprise Data Warehouse ("EDW") the system will compute the actual amount of commissions waived for InsightOne-eligible trades. This number will be compared to the InsightOne fees paid for the corresponding period, pro-rated as necessary based on billing cycle. If the actual amount of InsightOne fees paid exceeds the actual amount of commissions waived by 40% or more, a letter will be automatically generated notifying the client that their account will be migrated from InsightOne into a commissions-based Resource Management Account ("RMA account"), and InsightOne will automatically be removed within 30 days. If the actual amount of InsightOne fees paid exceeds the actual amount of commissions waived by between 20% to 39.9%, a letter will automatically be generated notifying the client that they have paid materially more in fees than they would have paid in commissions in a standard commissions account. The account will be flagged for follow-up in 6 months, at which time

a second review will be performed. If fees paid for that 6 month period exceed commissions waived for that period by greater than 20%, a letter will automatically be generated notifying the client that they paid materially more in fees than they would have paid in commissions in a standard commissions account over two consecutive review periods, and the account will be migrated to an RMA account within 30 days. If the fees paid for that 6 month period do not exceed commissions waived by greater than 20% for the same period, no action will be taken and the account will return to its normal review cycle. However, in the next annual review process, if the amount of fees paid exceed the amount of commissions waived by 20% or more, a letter will automatically be generated notifying the client that they paid materially more in fees than they would have paid in commissions in a standard commissions account for a second year, and the account will be migrated to an RMA account within 30 days. If the fees paid do not exceed the amount of commissions waived by 20% or more in the initial review, no action will be taken and the account will be reviewed again in 12 months.

This ongoing review process will also capture those accounts that are not meeting the minimum Return on Assets ("ROA") of at least \$12 per trade. If the amount of fees paid divided by the number of InsightOne-eligible trades executed during the time period is less than \$12, the account will be flagged for follow-up in 45 days. The Financial Advisor ("FA") and Branch Manager ("BOM") will be notified (mechanism TBD), and if, upon subsequent review at the end of 45 days, the account still falls below the \$12 per trade threshold, an excessive trading letter will be generated notifying the client that they will be migrated to an RMA account by the end of the quarter.

Upon release, the ongoing review process will be performed for all InsightOne accounts opened prior to July 2003. As commissions-waived data will not be readily available for all products on the trade records extracted from EDW, a series of assumptions will be applied to generate a per-trade commissions waived figure for those trades where that data is deemed to be unavailable (or invalid). Further details regarding these assumptions are found in this document.

#### **Enhanced InsightOne Turnover Screen**

The enhanced InsightOne Turnover Screen ("InsightOne Trading Activity screen") will provide FAs with a rolling view of all of their InsightOne accounts. Sorted by review period, this screen will display the fee rate, number of eligible trades, client fees paid, estimated commissions waived, and review date, for all InsightOne accounts, going back to either their last review date or the account start date, if active for less than one year. The user will also have the option of drilling down to the trade detail for each account, which would display Settlement Date, Action, Security Number, Security Description, Quantity, Price, Net Amount, and Commissions Waived, for all InsightOne eligible trades executed within the given time period. The trade detail page will also display a total for quantity, net amount, commissions waived, and a count of all trades and a count of syndicate trades. The data displayed on this page will be refreshed on a monthly basis, therefore the process outlined above to determine suitability will need to be performed every month for all accounts that are active for at least one full calendar month.

## **2.2. Background**

The NASD recently issued a new set of guidelines pertaining to the methodology used in determining client suitability for fee-based, non-Advisory Brokerage accounts (InsightOne). In summary, these new guidelines require that an economic comparison be performed upon enrolling an account in InsightOne, to compare projected estimated commissions waived to the InsightOne fee. If the projected InsightOne fee exceeds the projected amount of commissions waived by a certain amount, the account will be blocked from enrollment. Additionally, a similar comparison is required for active InsightOne account. On a regular basis, actual fees paid will be compared to actual commissions waived, and a series of actions will be taken if the fee paid exceeds an acceptable range, to be defined by commissions waived.

The development and implementation of a system to determine suitability upon InsightOne enrollment and to review suitability on an annual basis is the second and final step in a multi-tiered approach designed to fulfill the NASD mandate described above. An FA Certification process, which involves an enhancement to the existing InsightOne front-end requiring the FA to acknowledge that they have

confirmed client suitability, is being implemented as an interim solution and is scheduled for release on or around March 31, 2004.

## 2.3. Project Team

List the Business Team (include business users), Applications Team and Development Partners involved in the project. Include the individual's role on the project.

Team	Role	Name
Business Team	Owner	
	Team Leader	
Applications Team	Owner	
	Team Leader	
Development Partners		

## 2.4. Assumptions and Constraints

### 2.4.1. Assumptions

#### Online Suitability Calculator

- A commissions schedule will be available for use in the estimation of commissions waived for equities and options.
- The discount rate on equities and options trades executed in commissions-based brokerage accounts is available on the EDW. Alternatively, enough information is available on the trade record to calculate the per-trade commissions rate.
- A generic breakpoint schedule will be created as a result of the ongoing breakpoint remediation project for mutual funds which will be available and sufficient for use in estimating commissions waived for mutual fund trades.
- A set of guidelines will be made available to determine estimated commissions waived for fixed income securities, including products traded through the UES Taxable Fixed Income ("TFI") desk and through the UES Municipal desk. These guidelines will be defined based on an analysis being performed by the TFI group, in which the average and maximum sales credits charged for a 45 day period are being calculated for the approximately 10 different product types traded through the TFI and Municipal desks. This analysis will exclude trades executed in all managed account programs with the exception of FACE Multi and FACE Select. This analysis will become an ongoing exercise, to be completed at a TBD interval, to ensure that the assumptions applied in the suitability calculator are valid.

#### Ongoing Suitability Review

- The commissions waived field on the F&S trade record for equities and options trades is a valid figure representing the full rate commission. This commissions waived field is passed to the EDW and thus available for use in calculating total commissions waived on equities and options trades.
- The generic breakpoint schedule referenced above will be sufficient for use in determining commissions waived for mutual fund trades. This generic breakpoint schedule will be updated on a regular basis going forward.

- A generate breakpoint schedule will be created as a result of the ongoing breakpoint remediation project for unit investment trusts (UITs) and will be available and sufficient for use in calculating commissions waived for eligible UIT trades.
- Existing logic applied in P & S to calculate commissions waived for fixed income trades can be stripped out. P & S will have the capacity to accept a commissions waived figure for fixed income trades.
- The maximum sales credit for fixed income trades executed in InsightOne can be stripped out and passed to P & S as commissions waived.

## 2.4.2. Constraints

List any known constraints. Application Constraints represent things you must or must not do in designing applications. Examples are:

- All payroll and personnel processes must be located on the headquarters mainframe.
- The existing Product Data Maintenance Application will be retained.

## 2.5. Summary of Functions

Summarize the functions the application will provide. Include the benefit the function will provide. Organize the functions so the list is understandable to anyone reading the document.

Requirement	Function	Eenefit	Priority
1. Online suitability calculator	Determine projected full rate commissions waived using product specific logic (i.e., actual commissions schedule for equities and options, generic breakpoint schedule for mutual funds, etc.), based on trade information entered through an enhanced InsightOne front-end	Provides an initial frame of reference for the purposes of determining suitability	High
	Determine 12 month discount rate based on previous equity and option trades and applies that discount rate to the total projected commissions waived for those product types	Provides a more accurate representation of what the client would actually pay in commissions in a standard brokerage account	High
	Determine projected InsightOne fee by applying the annual fee rate to the total value of InsightOne eligible assets held	Provides the second data element required for the suitability validation	High
	Compare projected InsightOne fee to projected commissions waived (adjusted by any historical discount received)	Provides the ratio used to determine suitability	High
2. Front-end logic to determine InsightOne eligibility	Front-end blocks account from being enrolled in InsightOne if fee exceeds 120% of commissions waived	Prevents potential problem accounts from being enrolled in InsightOne	High
3. Ongoing Suitability Review	On a monthly basis, for all accounts active at least on full calendar month, retrieve all trade records from EDW and calculate total commissions waived on InsightOne eligible trades	Calculates actual commissions waived for trades where that data is available	High

Requirement	Function	Eenefit	Priority
	For those trades for which a commissions waived figure is not available (e.g., mutual funds and UITs), apply the appropriate logic to derive a commissions waived figure for use in the above referenced calculation	Calculates an estimated commissions waived for those trades where that data is not available	High
	On a monthly basis, for all accounts active at least one full calendar month, retrieve and aggregate all fees paid since the last annual review (or since inception, if not active for an entire calendar year); must be inclusive of any manual adjustments made and must be pro-rated based on billing cycles	Provides an accurate total for actual fees paid	High
	Compare fees paid to commissions waived for all accounts whose anniversary date falls in the month preceding the current month and all accounts flagged for six month follow-up in the current month	Provides the ratio used to determine suitability	High
	Tag all accounts where $(fees\ paid \geq 140\% * commissions\ waived)$	Identifies accounts to receive termination letters and be terminated	High
	Tag all accounts where $(120\% * commissions\ waived \geq fees\ paid > 140\% * commissions\ waived)$	Identifies accounts to receive warning letters and requiring six month follow-up	High
	Tag all accounts where $(fees\ paid < 120 * commissions\ waived)$	Identifies accounts where not action in required for 12 months	High
4. Letter Generation and Termination Processes	Automatically generate appropriate letters as dictated by the flags set above	Notifies clients who are either deemed unsuitable or "on the fence"	High
	Automatically remove InsightOne coding on the appropriate accounts as dictated by the flags set above	Removes clients who are deemed unsuitable	High
5. InsightOne Trading Activity Screen (enhanced InsightOne Turnover Screen in MAB0)	Provide a monthly snapshot of suitability information to the FA for all InsightOne accounts, sorted by review date	Allows FAs to proactively review accounts for suitability and act prior to a letter being sent and/or forced termination	High
6.	Provide trade detail for InsightOne eligible trades with totals	Allows FAs to review account level trade detail without exiting MASS	High

## 2.6. Terminology

- MAB0 - Managed Accounts Billing system
- EDW - Enterprise Data Warehouse
- RMA Account - Resource Management Account
- ROA - Return on Assets
- FA - Financial Advisor
- BOM - Branch Manager

- TFI - UES Taxable Fixed Income trading desk
- P & S - UES Purchase and Sales system
- UIT - Unit Investment Trust

## 2.7. References

### 2.7.1. Documentation

Provide a complete list of any documents referenced in this document. Identify each document by the title, report number (if applicable), date, and publishing organization/author. Specify the source from which the reference can be obtained. Referenced documents may include other Application Development documents, white papers, industry documents and the like.

Title	Report No.	Date	Org/Author	Source

### 2.7.2. Document Management

Specify who will be responsible for maintaining the documentation pertaining to the project during the project lifecycle.

Specify who will be responsible for maintaining the document archive after the project is completed.

### 2.7.3. Change Management

Is there an existing acronym for this project?

If yes, then provide acronym:

---

If you do not have a project acronym, then go to Distributed Change Management (DCM) web page at <http://www.dcm.pwj.com> to request a project acronym.

## 3. Application Requirements

### 3.1. Business Process Requirements

*For the purposes of defining the detailed business requirements, this section will be split into four subsections: Online Suitability Calculator, Ongoing Suitability Review, InsightOne Trading Activity screen, and Process Flow Diagrams.*

#### 3.1.1. Online Suitability Calculator

As previously indicated in this document, this project calls for the development of a modular suitability calculator which will perform a series of calculations based on information entered through an online suitability worksheet, which will be part of an enhanced InsightOne front-end. Upon the user selecting an account from the search results on the FA Account Search (Account Setup) page, and entering the InsightOne program fee and block charge exemption, the user is asked whether they are working with an existing UBS client or a prospect. If the user indicates an existing UBS client, they are further prompted to define whether they are consolidating assets or converting a single account to InsightOne. If consolidating assets, they are prompted to enter each account number. The system then retrieve(s) up to 12 months of trade data from the EDW for each account (if not consolidating, only those trades for the account in context are retrieved), runs each trade record against the InsightOne product eligibility tables, and deletes all ineligible trades. The system must then calculate and store the average discount rate across all equity trades. **(Is this information available on the EDW, and if not, how do we back into it?)** The system must then count the number of trades across four broad product types (Equities, Bonds, Mutual Funds, and Other). The user is then prompted to enter information related to projected trading volume. (This step is performed regardless of how previous questions were answered.) The user is asked to enter the total number of trades the client anticipates executing in each of the four product types defined above, and is prompted to enter a principal amount for each trade. This information is then passed to the suitability calculator, which performs the actual calculations to determine projected commissions.

- **Equities** - The average principal amount is applied to the standard commissions schedule and the per-trade commission is returned. That commission is then multiplied by the number of anticipated trades which yields a total, full-rate commission. The system must then call the average discount rate, calculated and stored in a previous step. If this field is not populated, the system will assume a discount rate of 0%, in which case the projected commissions for equities is set at the total, full-rate commission. If an average discount rate has been calculated, it is applied to the total, full-rate commission, to determine the projected commissions for equities. If the commissions schedule used to determine equity commissions, it should be built with enough flexibility to allow for periodic updates, as deemed necessary by the owners of the commissions schedule.
- **Bonds** - The average principle amount is applied to a generic commissions grid to determine the per-trade commission. That commission is then multiplied by the number of anticipated trades which yields a total, full-rate commission. (Note: there is no discounting consideration given to fixed income trades.) The generic commissions grid will be updated on a regular basis based on an ongoing analysis to be performed by TFI. The generic commissions grid used to determine fixed income commissions should be built with enough flexibility to allow for regular updates, as a result of this ongoing analysis.
- **Mutual Funds** - The average principle amount is applied to a generic breakpoint schedule to determine the per-trade commission. That commission is then multiplied by the number of anticipated trades which yields a total, full-rate commission. (Note: there is no discounting consideration given to mutual fund trades.)
- **Other** - The average principle amount is applied to a to a generic breakpoint schedule to determine the per-trade commission. That commission is then multiplied by the number of

anticipated trades which yields a total, full-rate commission. (Note: there is no discounting consideration given to trades falling into the "Other" category.)

The projected commissions across each product are aggregated to yield the total amount of projected commissions. The calculator must then calculate the projected InsightOne fee. The system must apply the InsightOne eligibility rules to the account's current holdings, to determine the value of assets eligible for billing purposes. The annual fee rate is then applied to this value to yield the projected annual InsightOne fee.

Upon clicking 'Submit' to move the account into the EOM's approval queue, the system must compare the projected annual InsightOne fee to the total amount of projected commissions. If the projected InsightOne is less than 120% of the total amount of projected commissions, the account is moved into EOM's approval queue. If the projected InsightOne is greater than or equal to 120% of the total amount of projected commissions, a popup window is displayed notifying the user that based on anticipated trading levels, the client is not suitable for InsightOne (actual text TED). The user is then redirected to the FA Account Search (Account Setup) page with the original search results displayed.

### 3.1.2. Ongoing Suitability Review

### 3.1.3. InsightOne Trading Activity Screen

### 3.1.4. Process Flow Diagrams

#### 3.1.4.1. Process Flow Diagram 1 - Online Suitability Calculator

#### 3.1.4.2. Process Flow Diagram 2 - Ongoing Suitability Review

## 3.2. Functional Requirements

Define the functional requirements for the application/product to be developed. Identify reports and/or audit trails required for each user group. Provide process flow diagrams. The functional requirements may include, the following:

### 3.2.1. Gap Analysis

This analysis should compare four components: business need, current function (where there are deficiencies), required function (how it will address these deficiencies) and priority (mandatory, important or useful).

Marketing, the product manager or the business team can set priority. Not all requirements are created equal. Ranking requirements by their relative benefit to the end user opens a dialogue with customers, analysts and members of the development team. The ranking is also used in managing scope and determining development priority.

Business Need	Current Function	Required Function	Priority
<b>Priority Rating:</b>			
Must Have	An essential function. Failure to implement means the system will not meet customer needs. All of these functions must be implemented in the scheduled release. Highest priority.		



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  - Education Planning Strategies
  - Retirement Planning Strategies
  - Estate Planning Strategies
  - Stock Option Planning Strategies
- Resource Management Account™ or Business Services Account BSA\*
- Online Account Access, Trading, Research and Portfolio Tracking
- Special Family Relationship Pricing

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- Exchange Traded Funds
- Participating Mutual Funds, Unit Investment Trusts, Annuities and Managed Futures Funds
- Mortgage-backed Securities
- Corporate Bonds
- Municipal Bonds
- Other Fixed Income Securities
- Options
- Rights and Warrants
- Cash/Money Market Funds

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PaineWebber had been named among the top 10 investment firms in *Institutional Investor's* "All-America Research Team" in each of its 29 annual surveys. Chief Global Strategist Edward Kerschner was ranked Wall Street's #1 investment strategist in *Institutional Investor's* 2000 survey.

Our research coverage of international stocks continues to grow. UBS Warburg also ranks highly in *Institutional Investor* surveys (2001 rankings:

#4 in Europe, #2 in Asia excluding Japan, #6 in Japan, #5 in Latin America; 2000: #4 globally).

Over the last two decades, the thematic approach to investing has been a hallmark of our success. Driven by our top-ranked Global Investment Strategy Group, the thematic approach to investing involves spotting major trends before they become well recognized. By doing so, we strive to provide our clients with specific investment

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While each theme usually identifies several industries and companies that UBS Warburg's research analysts and investment strategists expect will benefit from emerging trends, investors can look to UBS Warburg's *Highlighted Stocks*<sup>SM</sup> list for a choice group of companies from each theme.

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The flexibility you need to make the most of your assets...and your time.

## UBS PaineWebber InsightOne RMA®

The Resource Management Account (RMA), available exclusively through UBS PaineWebber, offers the benefits of cash management tools and brokerage by providing competitive money market rates, as well as flexibility and easy access to your money.

With RMA you have:

- A selection of six sweep options, including a taxable money market fund, a government fund and four tax-free funds, from which you can choose to invest your idle cash balances<sup>1</sup>
- The use of the Platinum MasterCard™ debit card<sup>2</sup>
- Access to a convenient and time-saving concierge service, provided by MasterCard International, Inc., 24 hours a day, seven days a week, which can provide you with:
  - City-specific information on what's available in entertainment and events, and where to get gourmet foods and premium tickets
  - A sample itinerary showing you how to get the most from your travels
- Check-writing with no minimum per-check usage fees<sup>3</sup>
- Online bill payment<sup>4</sup>
- Electronic Funds Transfer capabilities via UBS PaineWebber's online services or ResourceLine®, our interactive voice response telephone system
- UBS PaineWebber Rewards with no annual fees

## Personalized Insight

Your monthly RMA statement provides a comprehensive view of your financial picture in one simple document. You can select alternative formats and customize the information you see. And, if you choose, you can access your account information online.

## Business Services Account BSA

Small businesses can take advantage of the cash management opportunities offered by the Business Services Account BSA. With features similar to the RMA, the Business Services Account BSA is designed to help small-business owners manage their cash flow more effectively, keep assets invested and enhance their financial control.

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Money market funds are sold by prospectus only, which includes additional information on risks, charges and expenses. Other sweep options are sold by prospectus or other offering documents. Investors should read the prospectus or offering documents carefully before investing. An investment in one of the money market funds or other sweep options available through RMA is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in one of them. An investment in a money market fund or other sweep option presents greater risk than an investment in bank certificates of deposit ("CDs"). Bank CDs are insured by the FDIC and may offer a fixed rate of return. A money market fund or other sweep option may be appropriate for investors seeking current income and liquidity from a portfolio investing in various types of money market instruments; however, an investment in this type of fund or other sweep option is only part of a balanced investment plan.

May not be available to IRA accounts. Feature is not available for a Designated Trustee Account.

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**UBS PaineWebber  
Rewards**

Leave your checkbook at home and enjoy the ease of using one card for all your purchases. Your UBS PaineWebber<sup>SM</sup> Platinum MasterCard<sup>®</sup> debit card can be used anywhere MasterCard is accepted. Use your Platinum Card

for everyday expenses, recreation and vacations. The greater the purchases, the greater the rewards for you. You will earn one point for each U.S. dollar in net purchases on your card. Redeem your reward points for merchandise,

travel on any airline without blackout periods, or gift certificates for just about anything. Best of all, there is no annual fee and your Reward points never expire as long as you are enrolled in the program.

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# Always available

Review your daily account activity and enter orders online...  
all before your first cup of coffee.

## Online Services at UBS PaineWebber

Delivered over the Internet in a secured area of our Web site, the online component of your UBS PaineWebber relationship enables you to:

### *Customize Your Home Page*

View the information you want, the way you want it—24 hours a day, seven days a week. See a consolidated summary of your accounts, get real-time quotes, monitor market indices, read the latest market commentary, create, monitor and launch a watch list of over 50 securities, and more.

### *Review Your Account Information*

Review your account information throughout the trading session, including an account summary, unrealized and realized gain/loss details, intraday portfolio updates, open orders and securities activity.

### *Track Your Favorite Securities*

Create customized portfolios of securities you wish to monitor, including equities, mutual funds and options through Portfolio Tracker. This e-mail feature allows delivery of a personalized portfolio snapshot up to three times a day.

### *Access Real-time Market Information*

Get stock quotes on all the equities and equity/index options you hold or quotes on mutual funds and securities that you might be interested in. You'll also get the latest news, market commentaries, economic calendars and IPO information.

## *Review Leading Research*

Access the latest research from our analysts, investment strategists and economists—updated throughout the day. View UBS Warburg's insight on the markets, investment trends, the economy, international opportunities, and more. Our online services provide dynamic access to research reports from the Global Investment Strategy group and research analysts, as well as several search tools, including one that screens our research universe by criteria that is important to you. You can easily search for equity and fixed income research by ticker/name, analyst, time period, sector, state, industry, and more.

With Mutual Funds research, you can obtain fund profiles and search for funds based on specific criteria.

### *Pay Bills Online and Transfer Funds Electronically*

With minimal effort, you can pay your bills and transfer money between UBS PaineWebber accounts and accounts at other financial institutions. These services allow you to initiate one-time or recurring transfers or payments and review scheduled and historical transactions online.

### *Trade Online*

Enter equity and mutual fund orders with the touch of a button. And, coming soon, you may be able to place online orders for taxable fixed income and municipal securities.

### *Get Help in Person or Online 24x7*

You will have access to dedicated service representatives 24 hours a day, seven days a week by telephone or e-mail.

Market data delayed 20 minutes based on positions from previous business day's close.  
Order executions depend upon market hours and conditions.

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**Preferred Client  
Services**

UBS PaineWebber's Preferred Client Services is a complimentary program offering a suite of enhanced services and information to investors with substantial assets who are focused on

building, managing and protecting their wealth. From sophisticated financial expertise to customized portfolio reporting, our goal is to enrich and simplify your working relationship with UBS PaineWebber

and your Financial Advisor. Participation in Preferred Client Services is extended to clients with \$2 million or more in assets at UBS PaineWebber.

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# Focused on you

A relationship based on interaction, not transaction.

In today's world of investment magazines, self-help books, Internet questionnaires and financial television, gathering information has never been easier. You don't need more information—you need services that are tailored to you. That can be much harder to come by.

From identifying the goals most important to you to helping you create personal investment plans,

your UBS PaineWebber Financial Advisor can provide the insights you need and the solutions you want.

At UBS PaineWebber, we believe your personal relationship with your Financial Advisor is your best investment. Investing is complicated. You have people counting on you to do it right.



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Service

Flexibility

Advice

One Fee.

## About UBS PaineWebber

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In 2000, PaineWebber Incorporated joined forces with UBS AG (UBS). The result of this union was the creation of UBS PaineWebber.

UBS is a leading global financial services firm, the world's largest global asset manager and a leading provider of private banking services. UBS boasts a market capitalization of \$61 billion, has assets under management of over \$1.4 trillion and has 71,000 employees worldwide. UBS enjoys high credit ratings from all the major agencies:\*

• Fitch/IBCA: AAA

• S&P: AA+

• Moody's: Aa2

UBS comprises the following business groups:

- UBS Switzerland, the firm's private bank.
- UBS Asset Management, a leader in institutional asset management and global asset allocation.
- UBS Warburg, of which UBS PaineWebber is a part, focuses on the needs of individual, corporate and institutional investors.

\* Data as of 6/30/01

Mutual Funds, Unit Investment Trusts and Annuities are sold by prospectus only, which includes additional information on risks, charges and expenses. Investors should read the prospectus carefully before investing.

ResourceLine, Business Services Account, BSA, Resource Management Account and RMA are registered service marks of UBS PaineWebber Inc.

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Services Account Services

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Service Flexibility.  
Advice.  
One Fee.

**UBS PaineWebber.**

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If you are like most investors today, you are overwhelmed by information—whether it's through television, magazines, newsletters or the Internet. Chances are, you don't need more data—you need a way to better organize your finances, analyze and streamline incoming data, as well as tailor investments designed to fit your specific goals. These are the key aspects of a UBS PaineWebber InsightOne<sup>SM</sup> account.

From helping you create a highly individualized investment program...to consolidating and allocating your assets...to identifying the goals most important to you—your UBS PaineWebber Financial Advisor can provide the insight you need and the solutions you want.

At UBS PaineWebber, we believe your personal relationship with your Financial Advisor is your best investment. The services you will receive through your UBS PaineWebber InsightOne account are geared to make your relationship responsive, dynamic—and as unique as you are.



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UBS PaineWebber InsightOne is not your typical brokerage account. UBS PaineWebber InsightOne is a non-discretionary brokerage account that gives you easy access to all the services, advice and investment solutions you may need to help you meet your financial objectives.



#### For One Simple Fee

Some of these services include:

- Ongoing Personalized Financial Consultation
- Asset Allocation Services
- UBS Warburg Research
- Non-discretionary Brokerage Services
- Education, Retirement, Stock Options and Estate Planning Strategies
- Resource Management Account (RMA) or Business Services Account BSA
- Online Account Access, Trading, Research and Portfolio Tracking
- Special Family Relationship Pricing

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And a wide range of investment options including:

- Equities
- Exchange Traded Funds
- Participating Mutual Funds, Unit Investment Trusts, Annuities and Managed Futures Funds
- Corporate Bonds, Municipal Bonds, Mortgage-backed Securities and Other Fixed Income Securities
- Options
- Rights and Warrants
- Cash/Money Market Funds

Because there are no transaction charges or commissions in most instances, you and your Financial Advisor can focus on what matters most—building an investment portfolio designed to help meet your goals.

UBS PaineWebber InsightOne is a non-discretionary brokerage account. UBS PaineWebber InsightOne is not an advisory account. There is a minimum annual fee of \$1250 associated with the UBS PaineWebber InsightOne relationship. For most clients, there are no fees associated with trading activity, Resource Management Account (RMA), Business Services Account, BSA, IRA custody, confirmation or handling charges. Additional fees and expenses may be incurred including charges for terminating UBS PaineWebber InsightOne accounts in the first year, large block trades, Business Services Account BSA Bill Payment/Electronic Funds Transfer, customized check services or SEC sales charges. For a more complete discussion on terms and conditions, please see the Client Agreement and Account Information booklet or contact your Financial Advisor. The UBS PaineWebber InsightOne account is designed for investment purposes and is not intended to be used for day trading or other excessive trading activity as defined by UBS PaineWebber at its own discretion. Many of UBS PaineWebber InsightOne services and advice are available through commission-based relationships, subject to other charges where applicable.

UBS PaineWebber does not provide tax or legal advice. Consult with your tax and legal advisors regarding your individual needs.

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UBS PaineWebber InsightOne

*A wide range of services and investment opportunities*

*A professional Financial Advisor dedicated to helping you meet all your investment planning needs*

*A relationship based on interaction, not transaction*

*and an account as unique as you are*

In a world of mass marketing and standardization, it is refreshing to know that one company prides itself on knowing that you have unique needs and individual goals. For this reason, UBS PaineWebber created a special account that will give you a high level of service and investment flexibility, along with the convenience of one simple asset-based fee.

Get started today!

Getting started with UBS PaineWebber InsightOne is easy. To see if UBS PaineWebber InsightOne is right for you, please speak to your UBS PaineWebber Financial Advisor or visit our Web site at [www.ubspainewebber.com](http://www.ubspainewebber.com).

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Mutual funds, Unit Investment Trusts and Annuities are sold by prospectus only, which includes additional information on risks, charges and expenses. Investors should read the prospectus carefully before investing.  
Resource Management Account, RMA, and Business Services Account BSA are registered service marks of UBS PaineWebber Inc.  
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**UBS PaineWebber  
InsightOne<sup>SM</sup>**

**Service.  
Flexibility.  
Advice.**

**One Fee.**

 **UBS PaineWebber**

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**UBS PaineWebber<sup>SM</sup> insight is about understanding the complexities of helping you manage and protect your wealth, and about simplifying your financial life through a relationship that offers focused, creative financial solutions and attentive, personalized service.**

**It's knowing you, what you want and when you need it.**

Before we get into the program, I'd like to talk a little bit about something that makes UBS PaineWebber special – our insight.

What is UBS PaineWebber insight? It's UBS PaineWebber's knowledge of the markets, UBS Warburg Research, thematic investing, our products and services, and my insight into *you*.

Simply put, it's about understanding the complexities of helping you manage and protect your wealth, and about simplifying your financial life through a relationship that offers focused, creative financial solutions and attentive, personalized service.

It's knowing you, what you want and when you need it.

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## UBS PaineWebber InsightOne

- A non-discretionary brokerage account
  - You stay fully involved in all investment decisions
- Includes a broad spectrum of products, services and technology UBS PaineWebber has to offer
- With the insight of your personal Financial Advisor
- For one annual, asset-based fee\*

\*UBS PaineWebber InsightOne is not an advisory account. There is a minimum annual fee of \$1,250 associated with the UBS PaineWebber InsightOne relationship. In some instances, additional fees and expenses may be incurred including charges for terminating accounts in the first year. For a more complete discussion on the terms and conditions, please see the Client Agreement and Account Information booklet. This account is designed for investment purposes and is not intended to be used for day trading or other excessive trading activity. Many of UBS PaineWebber InsightOne services and advice are available through commission-based relationships, subject to other charges where applicable. UBS PaineWebber does not provide tax or legal advice. Consult with your tax and legal advisors regarding your individual needs.

 UBS PaineWebber.

Now let's get into some of the specifics of the program...

What is UBS PaineWebber InsightOne?

First of all, UBS PaineWebber InsightOne is a non-discretionary brokerage account. This means that you, working together with your Financial Advisor, make all investment decisions as you and your FA build your investment portfolio.

UBS PaineWebber InsightOne offers the best products, services and technology UBS PaineWebber has to offer, with the insight of your personal Financial Advisor...for one annual, asset-based fee.

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## UBS PaineWebber InsightOne Products & Services

- Personalized Financial Consultation
- UBS Warburg Research
- Non-discretionary Brokerage Services
- Asset Allocation Services
- Education Planning Strategies
- Retirement Planning Strategies
- Estate Planning Strategies
- Stock Option Planning Strategies
- Resource Management Account<sup>®</sup> or Business Services Account BSA<sup>®</sup>
- Online Account Access, Trading, Research and Portfolio Tracking
- Special Family Relationship Pricing
- Equities
- Exchange Traded Funds
- Participating Mutual Funds, Unit Investment Trusts, Annuities and Managed Futures Funds\*
- Mortgage-backed Securities
- Corporate Bonds
- Municipal Bonds
- Other Fixed Income Securities
- Options
- Rights and Warrants
- Cash/Money Market Funds\*

\* Mutual Funds, Unit Investment Trusts, Annuities and Money Market Funds are sold by prospectus, which contains details on risk, expenses and sales charges. Clients should read the prospectus carefully before investing and saving money.

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UBS PaineWebber InsightOne gives you easy access to all of UBS PaineWebber's services, advice, and investment solutions you may need to help you meet your financial objectives, including [read above list].

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## Personalized Financial Consultation Focused on You

- Help you identify your goals
- Assess your financial situation
- Help you build an investment portfolio based on your needs
- Offer ongoing personalized service and consultation

 UBS PaineWebber

As I said earlier, UBS PaineWebber insight is about understanding the complexities of working with you to manage and protect your wealth, and simplify your financial life through a relationship that offers focused, creative financial solutions and attentive, personalized service.

How do we get there?

It starts with a personalized financial consultation with *me*. This is one of the most important things we will do together, because in this process, we can identify the goals most important to you, and assess your current financial situation.

This, in turn, enables me to help you build a customized portfolio based on your needs.

And, going forward, I will be available to provide you with the personalized service and consultation you need.

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## UBS Warburg Research

- **An Acclaimed Research Team: UBS Warburg has ranked:**

- #1 Global Research Team (*Institutional Investor*, Dec. 2001)
- #1 in the Wall Street Journal's *Best on the Street* survey (June 2002)
- #1 Research Team in Europe (*Institutional Investor*, Feb. 2002)
- #1 Research Team in Asia (*Institutional Investor*, May 2002)
- #1 Research Analysts in Airlines, Banking & Finance, Metals & Mining, Pharmaceuticals, Utilities, and Quantitative/Derivative Research (*Institutional Investor*, Dec. 2001)
- World's Best Investment Bank (*EuroMoney Magazine*, July 2002)

- **Over 350+ Analysts Globally**

- **Broader Research Capabilities**

- Research Conferences
- Equity-linked products
- 850+ U.S. stocks covered\*
- 425+ non-U.S. stocks (up from 40)\*

\*as of August 2002

UBS PaineWebber clients receive their research through UBS Warburg, both of which are business units of UBS AG.

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Research is at the heart of the firm's efforts to generate investment ideas for our clients.

UBS Warburg's Equity Research Department has long been recognized as a leader on Wall Street. And, with UBS PaineWebber InsightOne, you have access to UBS Warburg Research both online and through your Financial Advisor.

[Read highlights on slide.]

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UBS 000330

## UBS PaineWebber Resource Management Account

- Choice of taxable and tax-free money market funds for daily cash sweep\*
- Platinum MasterCard™ debit card\*\*
- Check writing with no minimum per-check usage fees\*\*
- Online bill payment\*\*
- Electronic funds transfer capabilities\*\*
- UBS PaineWebber Rewards \*\*
- 24-hour access

\* Money market funds are sold by prospectus, which includes more complete information on risks, charges, expenses and other matters of interest. Investors should read the prospectuses carefully before investing. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Company or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

\*\* May not be available to IRA accounts. Feature is not available for a Designated Trustee Account.

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The Resource Management Account (RMA), available with UBS PaineWebber InsightOne, offers the benefits of banking and brokerage by providing competitive money market rates, as well as flexibility and easy access to your money.

With RMA, you have: A choice of taxable and tax-free money market funds for a daily sweep of your uninvested cash balances, a Platinum MasterCard debit card, check writing with no minimum per-check usage fees, a bill payment feature, electronic funds transfer capabilities, and 24-hour access to our ResourceLine for automated account information.

Small businesses can take advantage of the BSA/Business Services Account. With similar features to the RMA, the BSA/Business Services Account offers many cash management opportunities.

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## UBS PaineWebber Online Services

### Always Available

- Access to account information 24 hours a day, 7 days a week
- Personal home page
- Custom Portfolio Tracker
- Quotes via e-mail
- Trade online\*

\*Order executions depend upon market hours and conditions.

 UBS PaineWebber

With UBS PaineWebber InsightOne, you have access to your account information 24 hours a day, 7 days a week through UBS PaineWebber Online Services.

UBS PaineWebber Online Services allow you to personalize your home page so that you get the information you want, the way you want it; monitor your performance with our custom portfolio tracker; get quotes and personalized alerts via e-mail; and trade online.

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## Flexible Account Structure

- Available for different types of accounts and investment options
  - Individual, Joint, IRAs, Pensions, Estates, Trusts, Custodial
  - Business Accounts with specialized cash flow needs
  - Stock Options
- \$50,000 minimum eligible assets in primary account, and then additional, smaller accounts may be opened
- Ineligible assets\* can be held in the same account, and will automatically be excluded from the asset-based fee

\* Ineligible assets are subject to customary transaction charges, such as commissions, and include participating mutual funds purchased outside the UBS PaineWebber InsightOne program less than 24 months prior to the program start date, the purchase of non-participating products (e.g., Mutual Funds, Annuities, Unit Investment Trusts), as well as insurance and other packaged products.

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Another feature of UBS PaineWebber InsightOne is the flexibility of the account structure itself.

UBS PaineWebber InsightOne is available for many different types of accounts, including: Individual and Joint Accounts, IRAs, Pensions, Estates, Trusts, Custodial, Business Accounts with specialized cash flow needs, and Stock Option Accounts.

The minimum requirement for a primary account is \$50,000 in eligible assets, and then additional, smaller accounts with a minimum of \$10,000 may be opened.

In addition, ineligible assets can be held in the same account, and will automatically be excluded from the asset-based fee. Ineligible assets are subject to customary transaction charges.

Ineligible assets include participating mutual funds purchased outside the UBS PaineWebber InsightOne program, non-participating mutual funds, unit trusts, insurance and annuities, commodity futures funds, and other packaged products.

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## Simple Pricing

- One asset-based fee\*
  - No commissions
  - No trade confirm/handling charge
  - No Resource Management Account/  
Business Services Account fee
  - No IRA fee
- Customized pricing based on assets, size, product mix and service
- Minimum annual fee is \$1,250 per InsightOne relationship
- In certain instances, additional fees may be incurred\*

\* Additional fees and expenses may be incurred including charges for terminating accounts in the first year or for large block trades. For a more complete discussion on terms and conditions, please see the Client Agreement and the Account Information booklet. Many of UBS PaineWebber InsightOne's services and advice are available through commission-based relationships, sometimes subject to other charges. UBS PaineWebber does not provide tax or legal advice. Consult with your attorney or tax advisor regarding your individual needs.

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Simple pricing is one of the most appealing aspects of UBS PaineWebber InsightOne. You can take advantage of all the services and investment solutions I just mentioned – for *one* asset-based fee.

For most clients, there are *no* commissions, *no* trade confirms or handling charges, and *no* RMA/BSA fees or IRA fees.

The minimum annual fee for UBS PaineWebber InsightOne is \$1,250 per UBS PaineWebber InsightOne relationship. Please keep in mind that, in certain instances, additional fees may be incurred. (For example, a block charge may be assessed on equity trades over 5,000 shares.)

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## What Simple Pricing Means to You

- UBS PaineWebber is compensated for services it provides
- Fee is based on value of eligible assets
- No commissions
- Predictable investment expenses
- Focus on what's most important...building an investment portfolio designed to help meet your specific needs

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So what does Simple Pricing mean to you?

Because you pay just one fee, UBS PaineWebber is compensated for the services that it provides -- not from commissions on individual trades. Therefore, your investment expenses are predictable. In a fee-based relationship, my success is more directly tied to your success. Our goals are aligned. This allows me to focus on what's *most* important... helping you build an investment portfolio designed to help you meet *your* specific needs.

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## UBS PaineWebber InsightOne Benefits

- **Full Service, Including Advice**
  - Personalized Consultation with your Financial Advisor
  - UBS Warburg Research, UBS PaineWebber Products and Services
- **Convenience, Access and Flexibility**
  - Orders entered through your Financial Advisor or online
  - Research and account information online
  - Flexible account structure
- **Simple Pricing**
  - One asset-based fee
  - Customized pricing based on assets, size, product mix and service
  - Predictable expenses
  - Focused on results, not transaction costs



In conclusion, there are many features to UBS PaineWebber InsightOne.

**Advice and Full Service.** You get personalized consultation with your UBS PaineWebber Financial Advisor, access to all UBS Warburg Research, and access to all UBS PaineWebber products and services.

**Flexibility and Convenience.** You have the ability to enter orders through your Financial Advisor or online. You also have online access to UBS Warburg Research and your account information. And, the structure of the account itself is flexible.

**Simple Pricing.** UBS PaineWebber InsightOne is a fee-based brokerage account focused on results, not on transaction costs. It features customized pricing based on assets, size, product mix and service. Since there are no transaction charges or commissions in most instances, you and your Financial Advisor can focus on building an investment portfolio to help meet your specific goals.

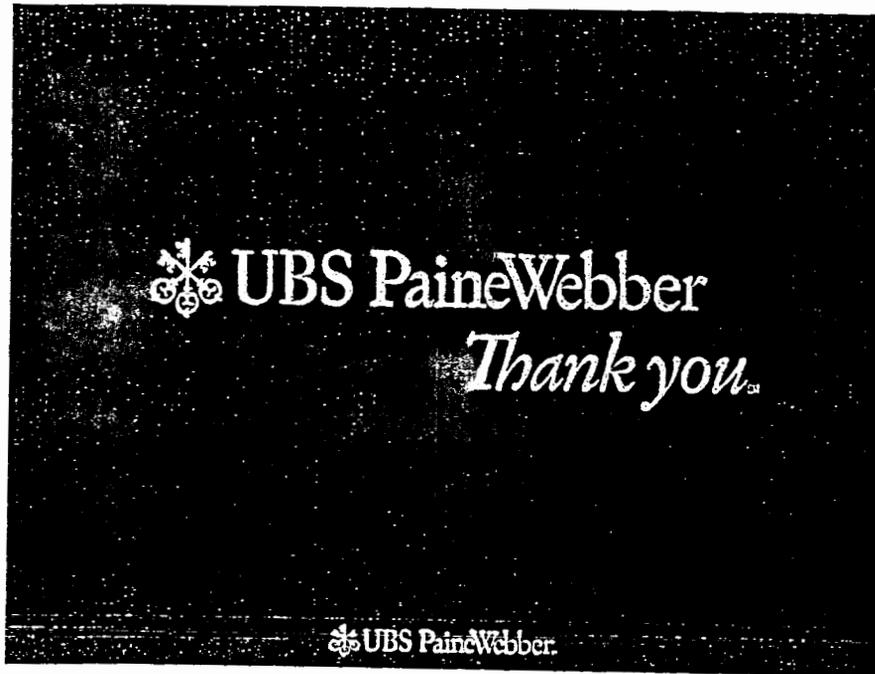
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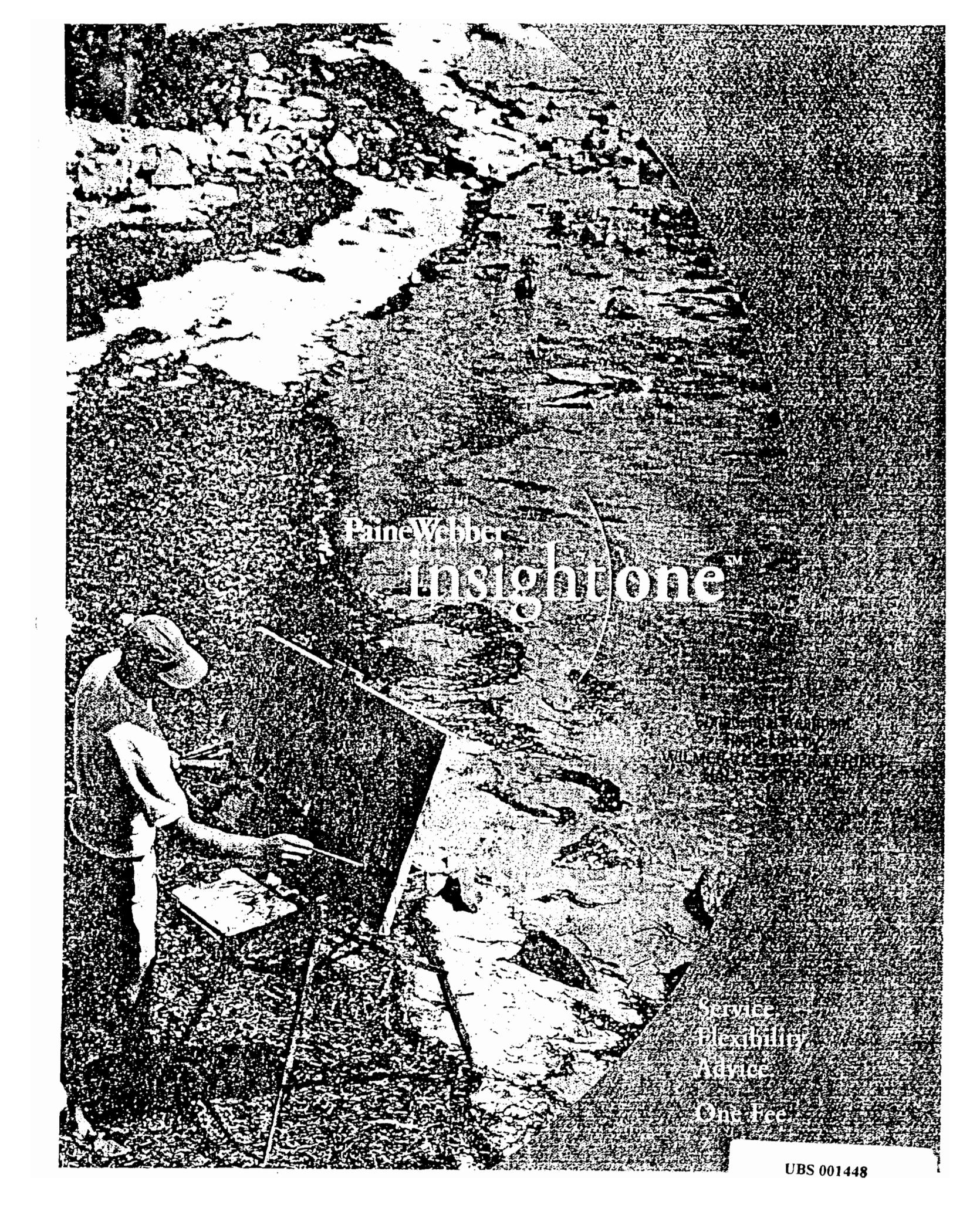
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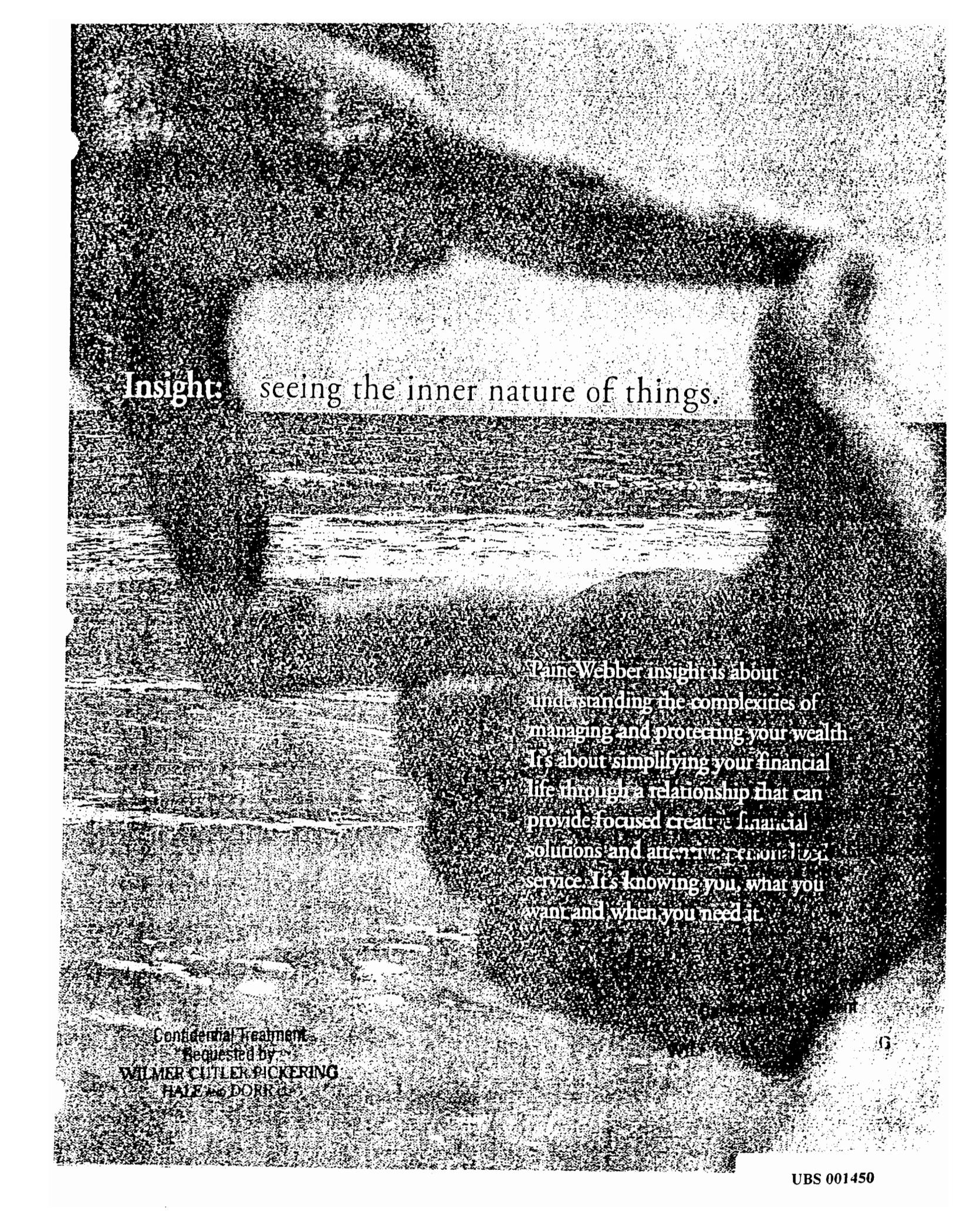


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Service  
Flexibility  
Advice  
One Fee

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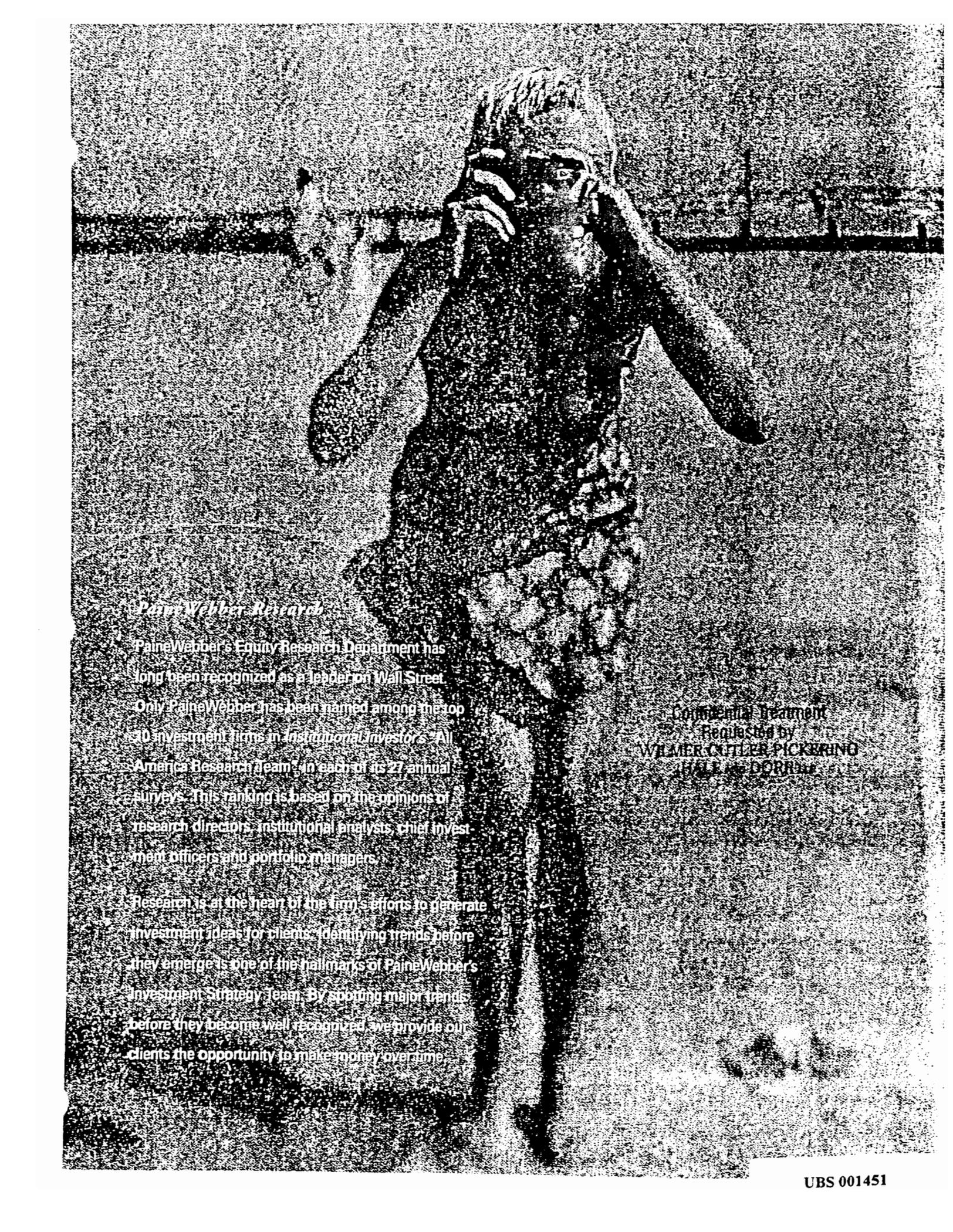




**Insight:** seeing the inner nature of things.

PaineWebber insight is about understanding the complexities of managing and protecting your wealth. It's about simplifying your financial life through a relationship that can provide focused creative financial solutions and attentive personal service. It's knowing you, what you want and when you need it.

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*PaineWebber Research*

PaineWebber's Equity Research Department has long been recognized as a leader on Wall Street.

Only PaineWebber has been named among the top 20 investment firms in *Institutional Investor's* "All America Research Team" in each of its 27 annual surveys. This ranking is based on the opinions of research directors, institutional analysts, chief investment officers and portfolio managers.

Research is at the heart of the firm's efforts to generate investment ideas for clients. Identifying trends before they emerge is one of the hallmarks of PaineWebber's Investment Strategy Team. By spotting major trends before they become well recognized, we provide our clients the opportunity to make money over time.

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PaineWebber InsightOne gives you easy access to all the services, advice, and investment solutions you may need to help you meet your financial objectives...

- Personalized Financial Consultation
- PaineWebber Research
- Nondiscretionary Brokerage Services
- Asset Allocation
- Education Planning
- Retirement Planning
- Estate Planning Strategies
- Stock Option Planning
- Resource Management Account<sup>®</sup> or BSA/Business Services Account<sup>™</sup>
- PaineWebber EDGE<sup>®</sup>
- Online Account Access, Trading, Research and Portfolio Tracking
- Equities
- Participating Mutual Funds
- Mortgage-backed Securities
- Corporate Bonds
- Municipal Bonds
- Other Fixed Income Securities
- Options
- Rights and Warrants
- Cash/Money Market Funds

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<sup>1</sup> Minimum annual fee is \$1,500. For most clients, there are no fees associated with trading activity, RMAs, BSAs/Business Services Accounts, IRA custody, confirmations or handling. Additional fees and expenses may be incurred including charges for account termination or conversion, large block trades, or customary check services. For a more complete discussion on terms and conditions, please see the client agreement, or contact your Financial Advisor. Many of PaineWebber InsightOne's services and advice are available through commission-based relationships, sometimes subject to other charges. PaineWebber does not provide tax or legal advice. Consult with your tax and legal advisors regarding your specific situation.

for One Simple Fee.

Since there are no transaction charges or commissions in most instances, your expenses are predictable.<sup>1</sup> That allows you and your Financial Advisor to focus on what matters most—building an investment portfolio designed to help meet your specific needs.

# Customized for You

*The flexibility you need to make the most of your assets...and your time.*

## PW InsightOne<sup>SM</sup> RMA<sup>®</sup>

The Resource Management Account (RMA), available exclusively through PaineWebber, offers the benefits of banking and brokerage by providing competitive money market rates, as well as flexibility and easy access to your money.

With RMA, you have:

- Choice of taxable and tax-free money market funds for a daily sweep of your uninvested cash balances<sup>1</sup>
- Gold MasterCard<sup>®</sup> debit card<sup>2</sup>
- Check writing with no minimum per-check usage fees<sup>2</sup>
- Bill payment feature<sup>2</sup>
- Electronic funds transfer capabilities<sup>2</sup>
- 24 hour access to ResourceLine<sup>®</sup> for automated account information

Small businesses can take advantage of the BSA/Business Services Account<sup>®</sup>. With similar features to the RMA, the BSA/Business Services Account offers many cash management opportunities.

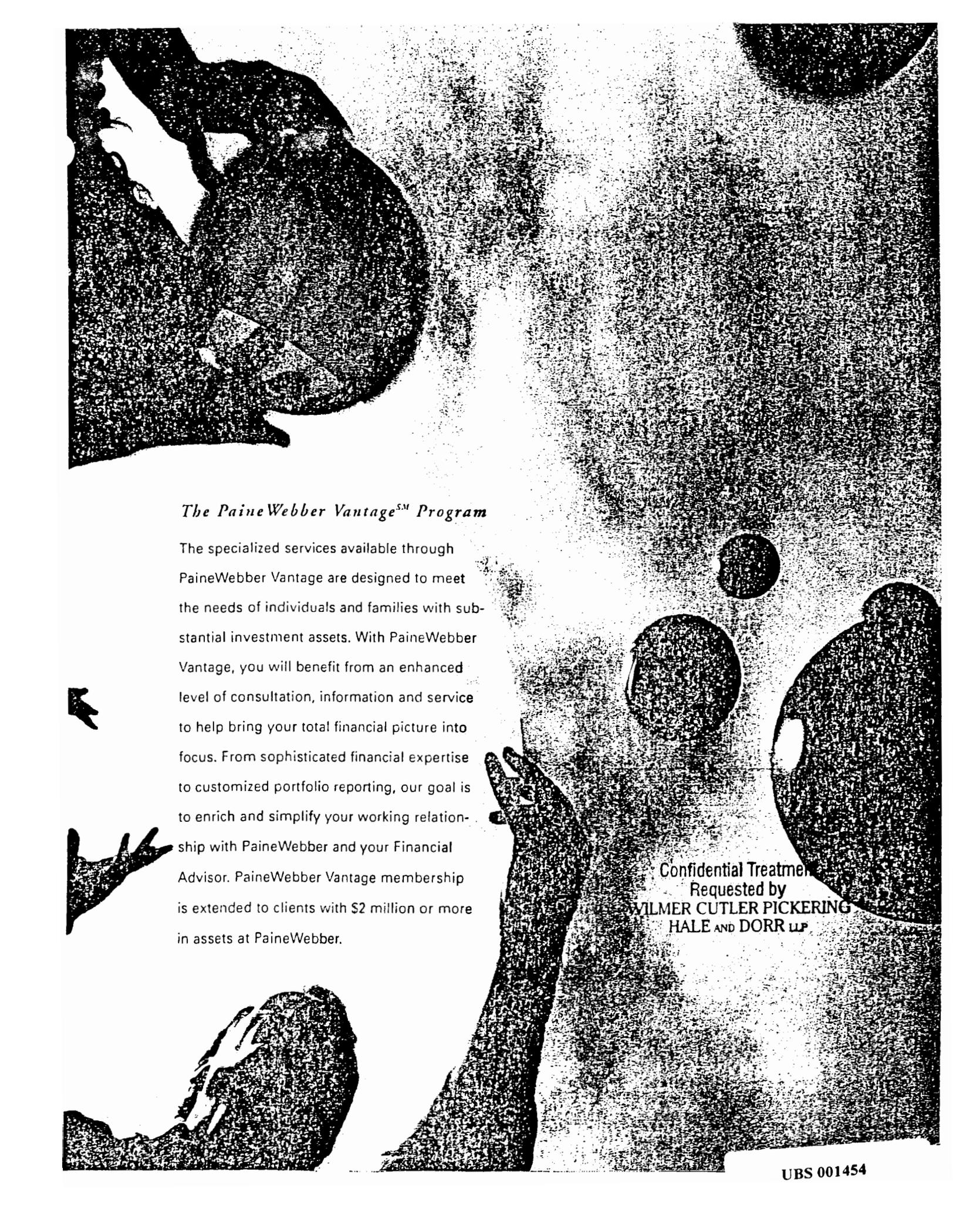
## Personalized Insight

Your monthly RMA statement provides a comprehensive view of your financial picture, in one simple document. You can select alternative formats and customize the information you see. And, if you choose, you can access your account information online.

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<sup>1</sup> Money market funds are sold by prospectus only, which includes additional information on risks, charges and expenses. Investors should read the prospectus carefully before investing. An investment in one of the money market funds available through RMA is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although these funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in one of them. An investment in a money market fund presents greater risk than an investment in bank certificates of deposit ("CDs"). Bank CDs are insured by the FDIC and may offer a fixed rate of return. A money market fund may be appropriate for investors seeking current income and liquidity from a portfolio investing in various types of money market instruments; however, an investment in this type of fund is only one part of a balanced investment plan.

<sup>2</sup> May not be available to IRA accounts. Feature is not available for a Designated Trustee Account.



*The PaineWebber Vantage<sup>SM</sup> Program*

The specialized services available through PaineWebber Vantage are designed to meet the needs of individuals and families with substantial investment assets. With PaineWebber Vantage, you will benefit from an enhanced level of consultation, information and service to help bring your total financial picture into focus. From sophisticated financial expertise to customized portfolio reporting, our goal is to enrich and simplify your working relationship with PaineWebber and your Financial Advisor. PaineWebber Vantage membership is extended to clients with \$2 million or more in assets at PaineWebber.

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# Always Available

*Review your daily account activity, receive the latest research reports and enter orders online...all before your first cup of coffee.*

## **The PaineWebber EDGE**

Delivered over the Internet in a secured area of our web site, this exclusive online service enables you to:

### **CUSTOMIZE YOUR HOME PAGE**

The PaineWebber EDGE can be customized so you can view the information you want, the way you want it—24 hours a day, seven days a week. View a summary of your accounts, your personal Watch List of up to 10 securities, customized market indices and graphs, as well as breaking news.

### **REVIEW YOUR ACCOUNTS IN DETAIL**

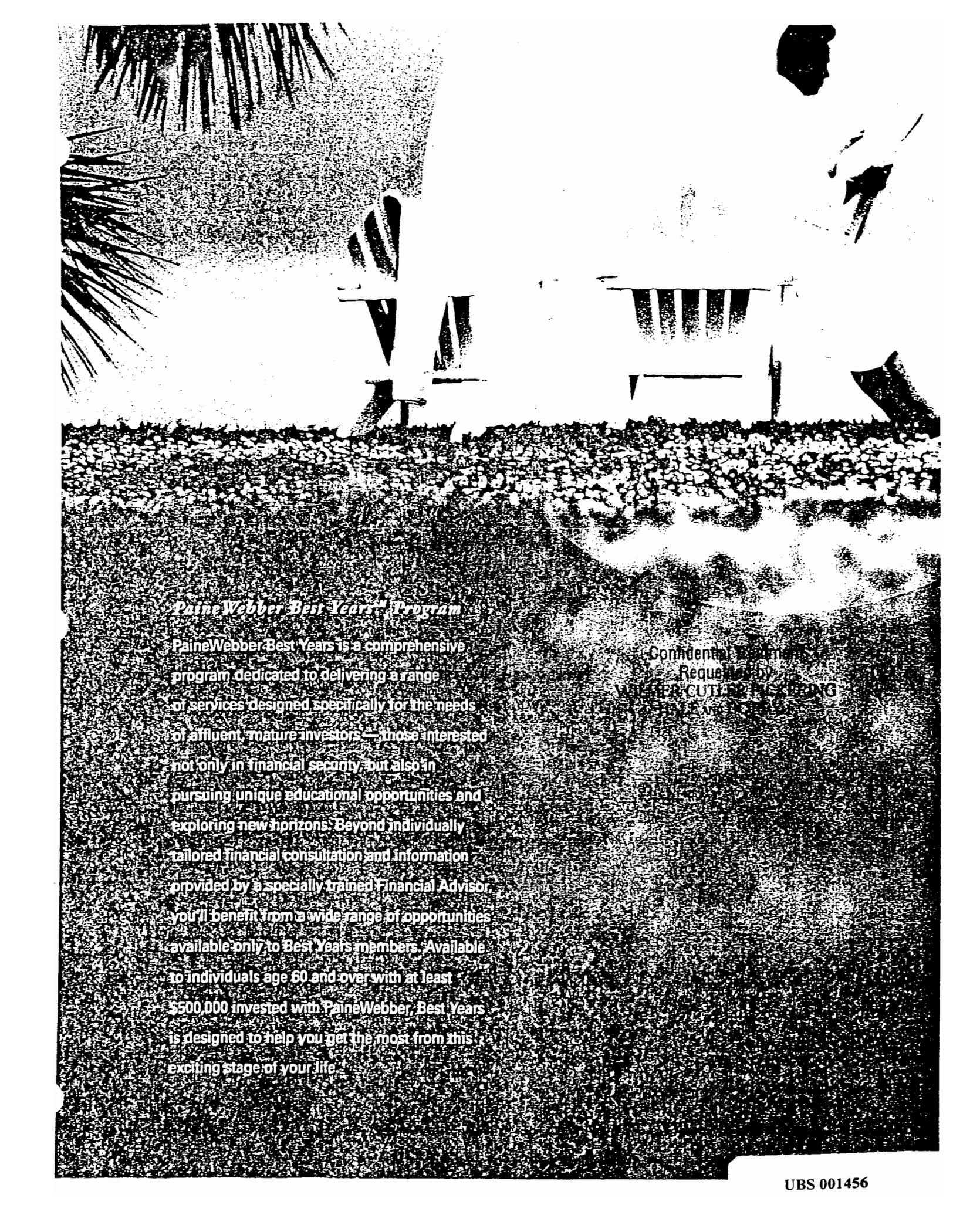
Review your full account statement including an account summary, account value, holdings, account activity, open orders and distributions received.

### **TRACK YOUR FAVORITE SECURITIES**

Create customized portfolios of securities you wish to monitor, including equities, mutual funds and options through Portfolio Tracker. You can even request to have up to 400 quotes e-mailed automatically.

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CONTINUED PAGE 5



*PaineWebber Best Years<sup>SM</sup> Program*

PaineWebber Best Years is a comprehensive program dedicated to delivering a range of services designed specifically for the needs of affluent, mature investors — those interested not only in financial security, but also in pursuing unique educational opportunities and exploring new horizons. Beyond individually tailored financial consultation and information provided by a specially trained Financial Advisor, you'll benefit from a wide range of opportunities available only to Best Years members. Available to individuals age 60 and over with at least \$500,000 invested with PaineWebber, Best Years is designed to help you get the most from this exciting stage of your life.

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WALTER CUTLER, INC. (ONG)

CONTINUED FROM PAGE 1

#### ACCESS TIMELY MARKET INFORMATION

Get stock quotes on all the equities and equity/index options you hold, or quotes on mutual funds and securities that you might be interested in. You'll also get the latest news and market commentaries from Reuters.

#### REVIEW LEADING RESEARCH

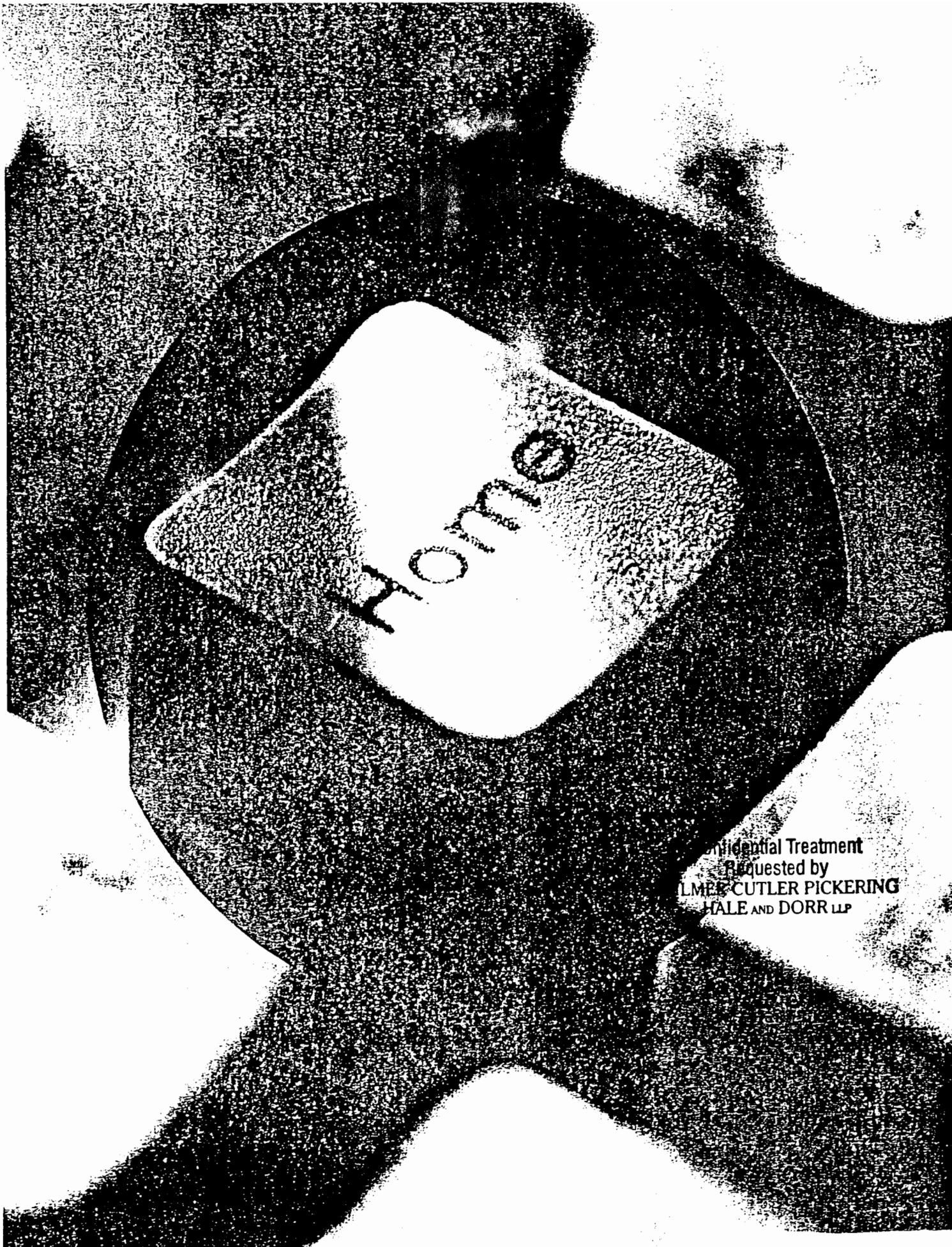
View PaineWebber's commentaries on the market, investment trends, the economy, international business and more. This section includes reports written by our renowned Investment Strategy Group, as well as company and industry-specific research reports from our Equity Research Department.

#### TRADE ONLINE

The PaineWebber EDGE is your online connection that enables you to enter listed and over-the-counter equity orders with the touch of a button.<sup>1</sup>

#### GET HELP IN PERSON OR ONLINE

You will have access to dedicated service personnel at the PaineWebber EDGE Service Center—seven days a week—by phone, e-mail, and through the PaineWebber EDGE online help facility.



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insight

One

## Get Started Today!

Getting started with PaineWebber  
InsightOne is easy. To see if  
PaineWebber InsightOne is right for  
you, please speak to your PaineWebber  
Financial Advisor, or visit our web site  
at [www.painewebber.com](http://www.painewebber.com).

Service.

Flexibility.

Advice.

One Fee Call.

**About PaineWebber**

Founded in 1879, PaineWebber Incorporated serves the investment and capital needs of more than 2 million clients worldwide, including individuals, institutions, state and local governments, and public agencies. PaineWebber combines state-of-the-art business and investment acumen with a reputation for outstanding research and client service.

Consistent with our belief in customized financial solutions, we offer clients a wide range of products and services through several integrated core businesses, including private client investment services, municipal securities, asset management, investment banking, research, global fixed income and global equity sales and trading.

With an international reach, \$8.23 billion in capital and \$384.2 billion in total assets under control, PaineWebber is a recognized leader on Wall Street, and a powerful force in financial markets worldwide.





# UBS PaineWebber InsightOne<sup>SM</sup> Account Application and Agreement

New Account  Existing Account Number: \_\_\_\_\_ SS#/TIN: \_\_\_\_\_

**NEW ACCOUNTS** Complete all sections.

**IRA** - For new IRAs, your Financial Advisor **MUST** provide you with an IRA application before you complete sections 4 and 10. (IRAs should **ONLY** complete section 5 if IRA is approved for distributions.)

**EXISTING ACCOUNTS** Complete **YELLOW** sections **ONLY**. Update other sections **ONLY** if there are changes.

**RMA** - For changes to your existing RMA<sup>®</sup>, complete section 5. (If IRA, **ONLY** complete if IRA is approved for distributions.) For general information and/or investment objective changes, complete section 2 and/or 7 as well.

## 1 Account Ownership

Select the type of ownership

**Sole Owner**

**Custodian (UGMA/UTMA)**

**Joint Owners\***

Community Property

Tenants in Common

Tenants by Entirety

Joint Tenants with Rights of Survivorship

Other: \_\_\_\_\_

**Guardian/Committeeman/Conservator**

**Estate**

**Trust**

**IRA**

### Trust

Is the Trustee UBS PaineWebber designated?  Yes  No  
Is there more than one Trustee for this account?  
 Yes  No If yes, specify how many Trustees: \_\_\_\_\_, then complete Section 3.

Trust is setup:  Intestamentary  Testamentary

\*Please read carefully the Joint Agreement section of the attached Account Agreement. Joint Ownership of Trust Accounts is subject to UBS PaineWebber approval.

Shading indicates optional information

## 2 Account Ownership Information

Complete this section for: a Sole Owner Account, the Minor for a Custodial account, the Primary Account Holder for a Joint Account, the Individual on whose behalf the Guardian Account is being opened, the Trust for a Trust Account or the Estate for an Estate Account.

### Basic Information

Individual First Name:	Middle Name:	Location of Address: <input type="checkbox"/> Home-Legal Residence <input type="checkbox"/> Business-Primary <input type="checkbox"/> Other (specify): _____	
Last Name:	Street Address 1: (If a P.O. Box, complete the Additional Address Information on page 6.)		
Account Title:	Street Address 2:		
	City:	State:	Zip:
<b>Telephone Contact Information</b>			
Residence:		Home Fax:	
Cellular:		Pager:	
Country of Citizenship: <input type="checkbox"/> USA <input type="checkbox"/> Other (specify): _____	SS#/TIN:	E-mail Address:	
Passport/CEDULA and Green Card#: (If non-U.S. and no SS# specified)	Tax Bracket: _____ %		

**Financial Information** (This will be kept strictly confidential.) Liquid assets and investment experience are only required for options/futures accounts.

Annual Income:	Liquid Assets:	Is the Account Holder, any trustee or director/principal officer, or any of his/her immediate family members, a Control Person of any publicly traded corporation (examples of Control Persons are Policy Making Officers, Directors or 10% shareholders)? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please specify company and %: _____ %
Net Worth (exclusive of residence):		
Investment Experience (in years): ___ Equities ___ Bonds ___ Futures ___ Options-Buy ___ Options-Sell	Financial Services Reference - Firm Name:	
List financial firms where other accounts are held:	Financial Services Reference - Firm Telephone Number:	

### Personal Information

Date of Birth:	Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female	Marital Status (Select one): <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed	Emergency Contact Name:	
Is the Account Holder or any immediate family member affiliated with any securities firms or other financial institutions (NYSE Rule 407): <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please specify the firm: _____			Emergency Contact's Telephone Number:	Number of Dependents:
Is the Account Holder an employee or related to an employee of UBS AG, its subsidiaries or affiliates (e.g., UBS PaineWebber Inc., UBS Warburg LLC)? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please specify:			<b>Dependent Name (First/Last)</b>	<b>Social Security #</b>
Affiliate or Subsidiary			Employee Name and SS#	<b>Date of Birth</b>



Please remember to sign and date the application on page 5.

1

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UBS 002293

New Account  Existing Account Number:  SS#/TIN:

**Account Ownership Information continued**

**Employment Information** (This section must be completed if your employment status is employed or self-employed.)

Status (select one): <input type="checkbox"/> Employed <input type="checkbox"/> Retired <input type="checkbox"/> Self-Employed <input type="checkbox"/> Student <input type="checkbox"/> Unemployed		Employer Name:		
Occupation:	Industry (i.e., Construction, Service, etc.):	Employer's Street Address:		
Business Phone:	Business Fax:	City:	State:	Zip:

**3 Joint Account Holder/Parent/Guardian/Committeemen/Conservator/Trustee/Executor/Administrator/Spouse**

Complete this section for: the Joint Account Holder for a Joint Account, the Parent or Guardian for a Custodial Account, the Guardian/Committeeman/Conservator managing the account, the Trustee for a Trust Account or the Executor/Administrator for an Estate Account. Please note that joint ownership of property is an important part of estate planning and involves important legal and tax consequences. Please consult your legal and tax advisors if you have any questions regarding your joint account ownership selection. Note: Non-resident aliens who elect to maintain a joint account agree in the Master Account Agreement that the account will be governed by New York law.

If your marital status is married, and your spouse does not jointly hold this account please provide his/her spousal information here.

**Basic Information**

Individual First Name:	Middle Name:	Street Address 1: (If a P.O. Box, complete the Additional Address Information on page 6.)		
Last Name:		Street Address 2:		
Country of Citizenship: <input type="checkbox"/> USA <input type="checkbox"/> Other (specify):	SS#/TIN:	City:	State:	Zip:
Passport/CEDULA and Green Card#: (If non-U.S. and no SS# specified)		<b>Telephone Contact Information</b>		
Tax Bracket: %	E-mail Address:	Residence:	Home Fax:	
Location of Address: <input type="checkbox"/> Home-Legal Residence <input type="checkbox"/> Business-Primary <input type="checkbox"/> Other (specify):		Cellular:	Pager:	

**Financial Information** (This will be kept strictly confidential.) Liquid assets and investment experience are only required for options/futures accounts.

Annual Income:	Liquid Assets:	Is the Account Holder, any trustee or director/principal officer, or any of his/her immediate family members, a Control Person of any publicly traded corporation (examples of Control Persons are Policy Making Officers, Directors or 10% shareholders)? : <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please specify company and %: _____ %
Net Worth (exclusive of residence):		
Investment Experience (in years): ___ Equities ___ Bonds ___ Futures ___ Options-Buy ___ Options-Sell	Financial Services Reference - Firm Name:	
List financial firms where other accounts are held:	Financial Services Reference - Firm Telephone Number:	

**Personal Information**

Date of Birth:	Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female	Marital Status (Select one): <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed	Emergency Contact Name:	
Is the Account Holder or any immediate family member affiliated with any securities firms or other financial institutions (NYSE Rule 407): <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please specify the firm: _____			Emergency Contact's Telephone Number:	Number of Dependents:
Is the Account Holder an employee or related to an employee of UBS AG, its subsidiaries or affiliates (e.g., UBS PaineWebber Inc., UBS Warburg LLC)? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please specify: _____			<b>Dependent Name (First/Last)      Social Security #      Date of Birth</b>	
Affiliate or Subsidiary			Employee Name and SS#	
			1)	
			2)	

**Employment Information** (This section must be completed if your employment status is employed or self-employed.)

Status (select one): <input type="checkbox"/> Employed <input type="checkbox"/> Retired <input type="checkbox"/> Self-Employed <input type="checkbox"/> Student <input type="checkbox"/> Unemployed		Employer Name:		
Occupation:	Industry (i.e., Construction, Service, etc.):	Employer's Street Address:		
Business Phone:	Business Fax:	City:	State:	Zip:

Note: If there are additional account holders, including Trustees, please photocopy this page and submit it with the application.

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HALE AND BOND LLP



New Account  Existing Account Number:  SS#/TIN:

**4 UBS PaineWebber InsightOne and UBS PaineWebber's Online Services Information**

<b>Annual Fee</b> _____ %	*Please refer to the UBS PaineWebber InsightOne Account Agreement for additional information regarding minimum fees and other charges.	<b>Online Services</b> Your account automatically includes UBS PaineWebber's Online Services. <input type="checkbox"/> Check here if you <b>DO NOT</b> want UBS PaineWebber's Online Services.	Other UBS PaineWebber InsightOne Accounts to be related to this account: _____ _____
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**5 Resource Management Account® (RMA®) Features**

UBS PaineWebber InsightOne accounts are eligible to receive these RMA features.\* Please select a Daily Sweep option, all other features are optional.

<b>Daily Sweep of Uninvested Cash Balances<sup>1</sup></b> Select one of the following sweep investment options: <input type="checkbox"/> Money Market Portfolio <input type="checkbox"/> New York Municipal Fund <input type="checkbox"/> New Jersey Municipal Fund <input type="checkbox"/> Tax-Free Fund <input type="checkbox"/> California Municipal Fund <input type="checkbox"/> U.S. Government Portfolio  <small><sup>1</sup>Money market funds are sold by prospectus only and other sweep investment options are sold by offering documents. Tax-free and municipal funds are not available for retirement accounts. State municipal funds are available only to residents of those states, respectively.</small>	<b>Platinum MasterCard®<sup>1*</sup></b> <input type="checkbox"/> If you would like a Platinum MasterCard, please indicate the number of cards by checking the appropriate box: <input type="checkbox"/> 1 <input type="checkbox"/> 2 If your name(s) exceeds 24 characters, including spaces, please indicate below how your name(s) should appear (not exceeding 24 characters): Name 1: _____ Name 2: _____  <small><sup>1</sup>Only one card per account holder can be issued.</small>
<b>Electronic Funds Transfer (EFT) Service*</b> EFT Service allows the transfer of money electronically between UBS PaineWebber accounts and accounts held with outside financial institutions (within the U.S.). <input type="checkbox"/> Transfer funds online and through ResourceLine®, the toll-free telephone voice response system. Please note: To transfer your funds online you must be enrolled in Online Services. Complete the account information on the Electronic Funds Transfer Addendum on page 7. This form is also available online; it can be printed, signed and mailed in to UBS PaineWebber. <input type="checkbox"/> Transfer funds using ResourceLine only. Complete the Electronic Funds Transfer Service Addendum only.	<b>UBS PaineWebber Rewards</b> <input type="checkbox"/> Earn points toward merchandise, travel and gift certificates by using your Platinum MasterCard for purchases. If you would like to enroll in this program, please check this box.
<b>Bill Payment Service*</b> Bill Payment service allows you to pay your bills online and/or make payments to a third party vendor without writing and mailing a check. <input type="checkbox"/> Pay bills online and through ResourceLine®, the toll-free telephone voice response system. Please note: To pay your bills online you must be enrolled in Online Services. Complete the Vendor/Payee information online. <input type="checkbox"/> Pay bills using ResourceLine only. Complete the Bill Payment Service Addendum found on page 8.	<b>Check Writing*</b> If you would like to receive checks for your account, please enroll by selecting a check style: <input type="checkbox"/> Wallet <sup>1</sup> <input type="checkbox"/> 3-page desk <input type="checkbox"/> 3-page business <input type="checkbox"/> Other <sup>2</sup> <small><sup>1</sup>Wallet checks are free. All other orders involve a fee.  <sup>2</sup>To order a different check style, please contact your branch office.</small>  Please print the full name and address that you would like to appear on your checks. <sup>3</sup> _____ _____ _____  Print mailing address for delivery of checks, if different from address on checks: _____ _____ _____  <small><sup>3</sup>The full name of the account specified in section 2.</small>

**6 Account Features**

<b>Duplicate Parties</b> <input type="checkbox"/> Check here if you would like duplicate trade confirmations and statements sent to additional individuals. If checked, please complete the Duplicate Party Addendum on page 6.	<b>Direct Deposit</b> <input type="checkbox"/> If you would like to have your payroll or other recurring payments automatically deposited into your account, please check this box. Complete the Direct Deposit Application on page 9 and send it to the employer, organization or financial institution making the deposit.
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\*IRA may not have a Platinum MasterCard and may only utilize the Electronic Funds Transfer Service for outgoing transfers, Bill Payment Services and/or Check Writing once the IRA is approved for distributions.

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 HARRISBURG, PA

UBS 002295

New Account     Existing Account Number : \_\_\_\_\_    SS#/TIN : \_\_\_\_\_

**Account Features continued**
**Margin\***

Accounts automatically come with margin unless they are Retirement, UGMA/UTMA, Estate, or certain other accounts.

 Check here if you do not want margin.

 If your account will have margin, you are required to answer the following question: Do you intend to engage in "pattern day trading" as defined by NYSE Rule 431:\*\*  Yes  No

\*Margin is not suitable for all clients. Please review UBS PaineWebber's Loan Disclosure Statement carefully for information on the risks involved with using margin.

\*\*"Day trading" means purchasing and selling or selling and purchasing the same security in the same day in a margin account. "Pattern day trading" means executing four or more day trades within five business days if the number of day trades exceeds six percent of the total trades during that period.

**7 Account Investment Objectives**

Return Objective (select one):

- Capital Appreciation - Investments seeking growth of principal rather than the generation of income.  
 Current Income and Capital Appreciation - Investments seeking both the generation of income and the growth of principal.  
 Current Income - Investments seeking the generation of income.

Primary Risk Profile (select one):

- Aggressive/Speculative - Seeks the potential for significant appreciation; willing to accept a high degree of loss of principal.  
 Moderate - Seeks potential returns with a lower risk of loss of principal.  
 Conservative - Seeks securities that are most likely to preserve principal with low risk.

Secondary Risk Profile (if applicable):

- Aggressive/Speculative  
 Moderate  
 Conservative

**8 Senior Political Affiliation**

 Is the account holder, any authorized signatories, beneficial owners, trustees, power of attorneys or other individuals with authority to effect transactions, or any of their immediate family members (including in-laws) or close associates (persons they are "widely and publicly known" to maintain an unusually close relationship with), a current or former senior non-U.S. political official?  Yes  No If yes, please complete the following information:

Political Official's Name

Current or Former Position

Relationship to Client(s)

**9 Source of Funds**

A.) Please indicate who is funding the account if this is a trust. If this is not a trust account, skip to section B below.

 Individual     Organization    Individual/Organization Name: \_\_\_\_\_

B.) Please indicate the source of funds in the account: (Check all that apply.)

If funds are from investments transferred from another firm, please indicate the source of funds to purchase the initial investments.

 Income from current/previous employment or business. If you are not currently employed, provide the following information from your last employment.

Occupation

Employer Name

City

State

 Income from operations (if organization). - Specify the location (city and state) of the organization.

City

State

 Inheritance - From whom: \_\_\_\_\_     Gifts - From whom: \_\_\_\_\_

 Sale of Real Estate - Location of real estate sold: \_\_\_\_\_     Legal Settlement

 Sale of Business - Name of business sold: \_\_\_\_\_     Other - Please specify: \_\_\_\_\_



New Account  Existing Account Number: [ ] SS#/TIN: [ ]

**10 Client Agreement**

BY SIGNING BELOW, I ACKNOWLEDGE AND AGREE TO THE FOLLOWING: 1. that I have received, reviewed and agree to be bound by the following Account Agreement, as of this date; 2. UBS PaineWebber InsightOne is a nondiscretionary brokerage account; 3. that UBS PaineWebber does not act as an investment advisor with respect to the UBS PaineWebber InsightOne Program; 4. that, in accordance with the last paragraph of the Account Agreement entitled "Arbitration," I am agreeing in advance to arbitrate any controversies which may arise with UBS PaineWebber in accordance with the terms outlined therein; 5. if my account is established with margin, that pursuant to the Agreement, certain of the securities in my account may be loaned to UBS PaineWebber or loaned out to others; 6. that I understand UBS PaineWebber will not supply my name to issuers of any securities held in my account so I will not receive information regarding those securities directly from the issuer, but will receive information from UBS PaineWebber instead, unless I notify you in writing otherwise; 7. that UBS PaineWebber does not provide legal or tax advice; 8. that I have supplied all of the information contained in this Account Application and I declare it as true and accurate and further agree to notify UBS PaineWebber in writing of any material changes, including those in my financial situation or investment objectives; 9. that I have read and understand the "Account Information" booklet which contains, among other things, Statement of Credit Practices describing interest charges, the Electronic Funds Transfer Agreement, Instructions for W-9 Preparation, Selected Fee & Charges and additional terms and conditions (other than UBS PaineWebber's Customer Privacy Notice contained therein) governing my account and relationship with UBS PaineWebber, which is incorporated herein by this reference; 10. that, if I elected the Electronic Funds Transfer Service as contained herein, I authorize (a) UBS PaineWebber and its processing institution (the "Processing Bank") to initiate the types of transactions indicated in the Electronic Funds Transfer Service section of the Account Information booklet, and adjustments for any entries made in error, to or from my account(s) as contained herein, and authorize the depository(ies) named on my bank account(s) or UBS PaineWebber to debit and/or credit the same to my Bank Account(s); (b) the Processing Bank and my Bank to comply with any instructions regarding electronic fund transfers between this Account, my Bank Account, and/or other accounts with UBS PaineWebber provided that such instructions are given to UBS PaineWebber with my PIN/Password and (c) UBS PaineWebber, the Processing Bank and my Bank to make changes and/or cancellations requested by me.

**W-9 Form Certification**

Check if applicable (Please do not check this box for Individuals and Sole Proprietors since they cannot be exempt from backup withholding):  I, as the Account Holder by signing below, or in my representative capacity for the Account Holder by signing below, am exempt from backup withholding.

I certify as the Account Holder by signing below, or in my representative capacity for the Account Holder by signing below, and under penalties of perjury that: (1) the taxpayer identification number set forth herein is the Account Holder's correct taxpayer identification number (or the Account Holder is waiting for a number to be issued to Account Holder, and (2) the Account Holder is not subject to backup withholding because: (a) the Account Holder is exempt from backup withholding, or (b) the Account Holder has not been notified by the Internal Revenue Service (IRS) that Account Holder is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Account Holder that Account Holder is no longer subject to backup withholding, and (3) the Account Holder is a U.S. person (including a U.S. resident alien). The Account Holder understands that Account Holder must strike out item (2) above if Account Holder has been notified by the IRS that Account Holder is subject to backup withholding because of underreporting of interest or dividends on Account Holder's tax return, unless after being so notified, Account Holder has received another notice from the IRS that Account Holder is no longer subject to backup withholding.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

X \_\_\_\_\_ Date \_\_\_\_\_  
Signature  
X \_\_\_\_\_ Date \_\_\_\_\_  
Additional Trustee/Party Signature  
X \_\_\_\_\_ Date \_\_\_\_\_  
Additional Trustee/Party Signature

This section applies to the Platinum MasterCard® and Check Writing only. If you want to authorize an additional check and/or MasterCard® user, please complete and have that person sign below. The following additional  Check User  Card User (who is not a minor) is appointed my agent, unaffected by my subsequent disability or incompetence, to effect check writing/card transactions in my RMA.  
X \_\_\_\_\_  
Print Agent Name  
X \_\_\_\_\_ Date \_\_\_\_\_  
Agent Signature

**For UBS PaineWebber Branch Use Only**

X \_\_\_\_\_ Branch Office Manager Temporary Approval/Date  
X \_\_\_\_\_ Branch Office Manager Approval/Date  
X \_\_\_\_\_ Financial Advisor Approval/Date

Is the Account Holder registered in both the client's state of residence and mailing address?  Yes  No  
What was the initial transaction to this account?  Buy  Sell  Open  Other  
How was the account obtained?  Walk-in  Referral  
Interest/Dividends:  Monthly  Quarterly  
Account Settles:  Assets in Account  Equity DVP  Government/Utility/Retiree  
Please Note: If the Account Holder, or their immediate family members, are affiliated with a securities firm or financial institution (NYSE Rule 401) a letter of authorization from the firm's principal must be obtained before the account can be opened.

Security Name: \_\_\_\_\_  
Security Symbol: \_\_\_\_\_  
Value: \$ \_\_\_\_\_  
or Shares: \_\_\_\_\_

UBS PaineWebber is a service mark of UBS AG. Resource Management Account, RMA, Business Services Account BSA and ResourceLine are registered service marks of UBS PaineWebber Incorporated. UBS PaineWebber InsightOne is a service mark of UBS PaineWebber Inc. Platinum MasterCard and MasterCard are registered trademarks and service marks of MasterCard International Incorporated.

5  
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New Account  Existing Account Number :  SS#/TIN :

### Duplicate Party Addendum

Complete for each Duplicate Party

Check all that apply: <input type="checkbox"/> Trade Confirmation Recipient <input type="checkbox"/> Statement Recipient				Internal Location Code (UBS PaineWebber Use Only)			
Name:				Country of Citizenship: <input type="checkbox"/> USA <input type="checkbox"/> Other (specify): _____			
Street Address:				City:		State:	Zip:

Check all that apply: <input type="checkbox"/> Trade Confirmation Recipient <input type="checkbox"/> Statement Recipient				Internal Location Code (UBS PaineWebber Use Only)			
Name:				Country of Citizenship: <input type="checkbox"/> USA <input type="checkbox"/> Other (specify): _____			
Street Address:				City:		State:	Zip:

### Additional Address Information

If your mailing address is a P.O. Box please provide a legal residence address below.

First Name:		Last Name:		Street Address 1:			
Location of Address: <input type="checkbox"/> Home-Legal Residence <input type="checkbox"/> Business-Primary <input type="checkbox"/> Home-Secondary <input type="checkbox"/> Business-Secondary <input type="checkbox"/> Other (specify): _____				Street Address 2:			
				City:		State:	Zip:

First Name:		Last Name:		Street Address 1:			
Location of Address: <input type="checkbox"/> Home-Legal Residence <input type="checkbox"/> Business-Primary <input type="checkbox"/> Home-Secondary <input type="checkbox"/> Business-Secondary <input type="checkbox"/> Other (specify): _____				Street Address 2:			
				City:		State:	Zip:

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New Account  Existing Account Number:  SS#/TIN:

### Electronic Funds Transfer Service Addendum

#### Non-UBS PaineWebber Accounts

If you would like to use the Electronic Funds Transfer Service to move funds electronically, please complete the information below for your account(s) outside of UBS PaineWebber. Please attach a voided check when applicable, otherwise provide a deposit slip, client statement or letter on bank stationery confirming account title, account number, and ABA routing number.

	AUTHORIZED EXTERNAL ACCOUNT #1	AUTHORIZED EXTERNAL ACCOUNT #2
Name of Financial Institution		
ABA Routing Number (a)		
Account Title/Name (b)		
Account Number		
Account Type (c)	<input type="checkbox"/> Savings <input type="checkbox"/> Checking	<input type="checkbox"/> Savings <input type="checkbox"/> Checking
Financial Institution Address	Street Address:	
	City:	State: Zip:
Financial Institution Telephone		
Permission (select all that apply)	<input type="checkbox"/> Deposit to external account #1 <input type="checkbox"/> Withdrawal from external account #1	<input type="checkbox"/> Deposit to external account #2 <input type="checkbox"/> Withdrawal from external account #2
Recurring Transfers	Recurring Amount: \$ _____ <i>(Transfers are limited to a maximum of \$100,000.)</i> Permission: <input type="checkbox"/> Deposit To <input type="checkbox"/> Withdraw From Frequency (select one): <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually Start Date: ____/____/____ <i>(May not be greater than one year from current date.)</i> End Date: ____/____/____ <i>(May not be greater than 30 years from the start date.)</i>	Recurring Amount: \$ _____ <i>(Transfers are limited to a maximum of \$100,000.)</i> Permission: <input type="checkbox"/> Deposit To <input type="checkbox"/> Withdraw From Frequency (select one): <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually Start Date: ____/____/____ <i>(May not be greater than one year from current date.)</i> End Date: ____/____/____ <i>(May not be greater than 30 years from the start date.)</i>

#### UBS PaineWebber Accounts

Complete the information below for your other UBS PaineWebber accounts. Please Note: Electronic Funds Transfer withdrawals can only be made from a Resource Management Account® (RMA®) or Business Services Account BSA®.

	DESIGNATED INTERNAL ACCOUNT #1	DESIGNATED INTERNAL ACCOUNT #2
UBS PaineWebber Account #		
Account Title/Name (b)		
Permission (select all that apply)	<input type="checkbox"/> Deposit to designated internal account #1 <input type="checkbox"/> Withdrawal from designated internal account #1	<input type="checkbox"/> Deposit to designated internal account #2 <input type="checkbox"/> Withdrawal from designated internal account #2
Recurring Transfers	Recurring Amount: \$ _____ <i>(The maximum transfer limit is your withdrawal limit.)</i> Permission: <input type="checkbox"/> Deposit To <input type="checkbox"/> Withdraw From Frequency (select one): <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually Start Date: ____/____/____ <i>(May not be greater than one year from current date.)</i> End Date: ____/____/____ <i>(May not be greater than 30 years from the start date.)</i>	Recurring Amount: \$ _____ <i>(The maximum transfer limit is your withdrawal limit.)</i> Permission: <input type="checkbox"/> Deposit To <input type="checkbox"/> Withdraw From Frequency (select one): <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually Start Date: ____/____/____ <i>(May not be greater than one year from current date.)</i> End Date: ____/____/____ <i>(May not be greater than 30 years from the start date.)</i>

Attach an additional sheet to add more accounts.

- (a) The ABA routing number usually appears on the bottom of printed checks or deposit tickets. To confirm, please consult your financial institution.
- (b) If you wish to transfer funds into your UBS PaineWebber account from a UBS PaineWebber or external account that is titled differently, a signed Letter Of Authorization from all account holders is required.
- (c) If a money market account is the type of account at another financial institution you are setting up for EFT, select the "Checking" option.





New Account  Existing Account Number: \_\_\_\_\_

SS#/TIN: \_\_\_\_\_

### Bill Payment Service Addendum

Complete this section only if you do not have online access. UBS PaineWebber's Online Services clients may set up Vendor/Payee information online.

	VENDOR/PAYEE #1	VENDOR/PAYEE #2
Name of Vendor/Payee		
Vendor/Payee Account Number		
Vendor/Payee Address	Street Address:	
	City:	State: Zip:
Vendor/Payee Telephone		
Recurring Payments	Recurring Amount: \$ _____ <i>(Bill payments are limited to a maximum of \$100,000.)</i>	Recurring Amount: \$ _____ <i>(Bill payments are limited to a maximum of \$100,000.)</i>
	Frequency (select one): <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually	Frequency (select one): <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually
	Start Date: ____/____/____ <i>(May not be greater than one year from current date.)</i>	Start Date: ____/____/____ <i>(May not be greater than one year from current date.)</i>
	End Date: ____/____/____ <i>(May not be greater than 30 years from the start date.)</i>	End Date: ____/____/____ <i>(May not be greater than 30 years from the start date.)</i>
	Final Payment Amount: \$ _____ <i>(Specify only if different from recurring amount.)</i>	Final Payment Amount: \$ _____ <i>(Specify only if different from recurring amount.)</i>
Expense Code* (optional)		

	VENDOR/PAYEE #3	VENDOR/PAYEE #4
Name of Vendor/Payee		
Vendor/Payee Account Number		
Vendor/Payee Address	Street Address:	
	City:	State: Zip:
Vendor/Payee Telephone		
Recurring Payments	Recurring Amount: \$ _____ <i>(Bill payments are limited to a maximum of \$100,000.)</i>	Recurring Amount: \$ _____ <i>(Bill payments are limited to a maximum of \$100,000.)</i>
	Frequency (select one): <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually	Frequency (select one): <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually
	Start Date: ____/____/____ <i>(May not be greater than one year from current date.)</i>	Start Date: ____/____/____ <i>(May not be greater than one year from current date.)</i>
	End Date: ____/____/____ <i>(May not be greater than 30 years from the start date.)</i>	End Date: ____/____/____ <i>(May not be greater than 30 years from the start date.)</i>
	Final Payment Amount: \$ _____ <i>(Specify only if different from recurring amount.)</i>	Final Payment Amount: \$ _____ <i>(Specify only if different from recurring amount.)</i>
Expense Code* (optional)		

\* Please note that RMA and Business Services Account BSA offer an easy to use expense-coding system. Using pre-assigned letters (except H, I, J, O, Q, and X), you may establish your own expenditure categories and track them either on your UBS PaineWebber check register or online. When writing checks and submitting bill payments, be sure to indicate your expense code. For your convenience, all checking and bill payment expense codes are totaled on your monthly premier statement.

Please attach a separate sheet to add more Vendor/Payees.



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UBS 002300



New Account  Existing Account Number:  SS#/TIN:

**Direct Deposit Application**

Direct Deposit allows you to have all or part of your payroll, government, social security, or other recurring payment automatically deposited into your account.

In order to sign-up for Direct Deposit, you must have either an RMA® checking account number or a UBS PaineWebber account number. If you do not have a UBS PaineWebber account number, one will be provided when your account is open. Please keep this form until you receive your account number.

To arrange to have your Social Security checks directly deposited into your account, call the Social Security Administration at 800-772-1213. For other government payments, contact the issuing government agency directly. For all other organizations or financial institutions, complete the information below.

Please forward this completed form to the organization or financial institution sending the direct deposit.

**1 Client Information**

Name:		
Street:		
City:	State:	Zip:

**2 Account Information**

Please complete either section A or B below based on the type of account that will be receiving the direct deposit.

A.) If your account has the RMA checking feature, you must enter your checking account number in the boxes below. This is a 10-digit number that begins with 8 and appears after the bank transit routing number 044000804 on the bottom of your RMA checks.

8									
---	--	--	--	--	--	--	--	--	--

B.) If your account does not have the RMA checking feature or if you do not have an RMA account, you must enter in your alphanumeric UBS PaineWebber account number in the boxes below.

9	0	8	3						
---	---	---	---	--	--	--	--	--	--

The information below will be utilized by the organization or financial institution issuing the deposit.

Bank Name: BankOne NA, Columbus Ohio		Bank Transit (or Routing) Number: 0440-00804
Bank Street Address: 800 Brookside Blvd., Dept. 0H1-0465		Type of Account: Checking
Bank City: Columbus	State: OH	Zip: 43271-0465

**3 Amount of Payment**

A.) For payroll or government payments, I authorize you to deposit \_\_\_\_\_ % of each payment automatically into the UBS PaineWebber account named above. Please Note: This must be done by electronic funds transfer.

B.) For deposits from my account at another financial institution, I authorize you to deposit \$ \_\_\_\_\_ automatically into the UBS PaineWebber account named above. Please Note: This must be done by electronic funds transfer.

Please indicate the frequency of deposit:  Weekly  Bi-weekly  Monthly  Quarterly  Other: \_\_\_\_\_

X \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**DO NOT SEND THIS DIRECT DEPOSIT APPLICATION TO UBS PAINWEBBER**

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**Account Transfer Form Delivery Instructions**

Delivery Instructions: All deliveries must include client name and UBS PaineWebber account number.

All DTC-Eligible Securities	Deliver to DTC Clearing 0221. All securities must have client name and UBS PaineWebber account number.
Dividend Reinvestment/Closed-end Mutual Funds	Issue a certificate for all whole shares, liquidate all fractional shares and discontinue dividend reinvestment. All deliveries must include client name and UBS PaineWebber account number.
Physical Delivery of Securities	Physical Securities Window UBS PaineWebber Inc. 499 Washington Blvd. - 11th Floor Jersey City, NJ 07310
Retail Transfer of Federal Funds (Effective through December 31, 2002)	Bank of New York ABA #021000018 UBS PAINWEBBER RETAIL A/C 8900114096 F/C UBS PaineWebber CLIENT A/C NAME A/C UBS PaineWebber INTERNAL A/C NUMBER
Retail Transfer of Federal Funds (Effective January 2, 2003)	UBS AG ABA #026007993 UBS PAINWEBBER RETAIL INCOMING A/C #101-WA-258641-000 F/C UBSPW CLIENT A/C NAME A/C- UBSPW INTERNAL A/C NUMBER
U.S. Government/Fed Book Entry Securities	ABA 021000021 JPMChase/PAINE/CLIENT A/C # & NAME
Forward Checks	UBS PaineWebber Inc. 1000 Harbor Blvd., Weehawken, NJ 07086 Attn: Central Check Deposit, 7th Floor All checks must include client name and account number
For All Other Correspondence	UBS PaineWebber Inc. 499 Washington Blvd., Jersey City, NJ 07310 Attn: Account Transfer, 14th Floor

**DO NOT USE THESE DELIVERY INSTRUCTIONS FOR YOUR DIRECT DEPOSIT FORM**  
**THEY ONLY APPLY TO THE ACCOUNT TRANSFER FORM (PAGES 11-12)**

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**Account Transfer Form**

UBS PaineWebber Account Number :

SS#/TIN :

Branch Use Only	UBS PaineWebber Inc. Clearing Number 0221	Ercker Clearing Number	Custodian or Trustee of this UBS PaineWebber account (if applicable)
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**1 Information About Your UBS PaineWebber Account**

Account Title: ----- ----- ----- -----	<b>For Retirement Accounts Only</b>
	Account to be transferred into a: <input type="checkbox"/> Traditional IRA <input type="checkbox"/> Traditional IRA as a Rollover <input type="checkbox"/> QP <input type="checkbox"/> SEP IRA <input type="checkbox"/> Roth IRA <input type="checkbox"/> Coverdell Education Savings Account <input type="checkbox"/> SIMPLE IRA <input type="checkbox"/> CODA SEP-IRA
	The account is transferring from a qualified retirement plan by means of a direct rollover into a*: <input type="checkbox"/> Traditional IRA <input type="checkbox"/> SEP IRA <input type="checkbox"/> Rollover IRA <input type="checkbox"/> CODA SEP IRA <i>*Pursuant to IRS Regulations, qualified retirement plan assets cannot be rolled over to a SIMPLE IRA or Roth IRA.</i>

**2 Information About the Account You are Transferring**

Please refer to your statement for the following information and attach a complete copy of your most recent statement for this account. Please complete a separate form for each account you transfer (photocopies are acceptable).

Name(s) and Title of Account shown on your statement:	Name of Firm/Fund Company:		
Your Account Number:	Street Address of Firm/Fund Company:		
Social Security Number on Account:	City:	State:	Zip:

**3 Type of Transfer You Are Making**

Please answer questions A through D.

A) Do you wish to transfer your entire account?     Yes     No  
 If you answered "yes," skip to question B. If you answered "no" and the transfer is not coming directly from an insurance or mutual fund company, please provide the following information for the assets you intend to transfer.

**Partial Transfer**

Description of Asset	Quantity (indicate # of shares or "All")	Description of Asset	Quantity (indicate # of shares or "All")
(1)		(5)	
(2)		(6)	
(3)		(7)	
(4)		(8)	

**Annuity/Mutual Fund Transfer**

B) Are you transferring directly from an insurance or mutual fund company?     Yes     No  
 If you answered "no," skip to question C. If you answered "yes," please provide the following information for each annuity or mutual fund you intend to transfer. (Some assets are not transferable. If the asset is not transferable, UBS PaineWebber can be named broker-dealer and/or custodian at the company, or the assets can be sold. Requests to sell positions are dependent upon the delivering firm receiving and processing the request and may take several weeks to complete. Liquidations can also be processed by calling the delivering firm.)

Name of Fund/Annuity	Account Number	Quantity (indicate # of shares or "All")
(1)		
(2)		
(3)		
(4)		

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UBS PaineWebber Account Number : 

 SS#TIN : 
**3 Type of Transfer You Are Making cont.**
**Bank, Savings & Loan or Credit Union Transfer**

 C) Are you transferring directly from a Bank, Savings & Loan or Credit Union?  Yes  No  
 If you answered "no," skip to question D. If you answered "yes", please complete the following section.

Initiate the transfer of a maturing Certificate of Deposit (CD) no more than two weeks prior to the maturity date. Otherwise, you may incur early withdrawal penalties.	
I am only transferring cash. Please transfer: <input type="checkbox"/> All cash in account  <input type="checkbox"/> Only \$ _____	I have a CD that I want to transfer. Please: <input type="checkbox"/> Liquidate it IMMEDIATELY. I am aware of and acknowledge the penalty I will incur from any early withdrawal. <input type="checkbox"/> Liquidate it AT MATURITY. Maturity date ___/___/___ (Please submit 2 weeks before maturity date.)

**Liquidations**

 D) Do you wish to liquidate any assets as part of this transfer?  Yes  No  
 If you answered "yes," you must complete a Liquidation Letter, which is available from your UBS PaineWebber Financial Advisor or online. Liquidations can also be processed by contacting the delivery firm.

**4 Client Agreement**

Please transfer the assets specified, to UBS PaineWebber Inc., which has been authorized by me to make payment to you of the debit balance or to receive payment of the credit balance in my securities account. I understand that to the extent any assets in my securities account are not readily transferable, with or without penalties, such assets may not be transferred within the time frame required by New York Stock Exchange Rule 412 or similar rule of the National Association of Securities Dealers or other designated examining authority.

Unless otherwise indicated in the instruction contained herein, I authorize you to liquidate any proprietary money market fund assets that are part of my securities account and transfer the resulting credit balance to UBS PaineWebber Inc. I understand that you and/or UBS PaineWebber will contact me with respect to the disposition of any other assets in my securities account that are either non-transferable or non-deliverable. If certificates or other instruments in my securities account are in your physical possession, I instruct you to transfer them in good deliverable form, including affixing any necessary tax waivers, to enable UBS PaineWebber Inc. to transfer them in its name for the purpose of sale, when and as directed by me. I further instruct you to cancel all open orders for my securities account on your books.

I affirm that I have destroyed or returned to you any credit/debit cards and unused checks given to me in connection with my securities account.

Delivering Agents: Please refer to the attached page for delivery instructions.

 X \_\_\_\_\_  
 Signature

 \_\_\_\_\_  
 Date

 X \_\_\_\_\_  
 Joint Account Holder/Authorized Individual's Signature

 \_\_\_\_\_  
 Date

**For UBS PaineWebber Branch Use Only**

<b>Liquidations</b> 1. Check with the client to determine if any assets require liquidation. 2. If liquidations are requested, ask the client to contact the branch operations manager at previous firm with verbal instructions or send the Liquidation Letter (BMKT3423) to the same person. Verbal instructions generally result in fewer delays in the transfer process. PLEASE DO NOT SEND LIQUIDATION INSTRUCTIONS TO THE ACCOUNT TRANSFER DEPT. Always follow-up the next day to ensure receipt and execution of liquidation request. <b>ACAT versus Non-ACAT</b> - The transfer is an ACAT transfer if both of the following conditions are met: the entire account is to be transferred and the delivering firm is ACAT-eligible. To find out if the firm is ACAT-eligible, call 877-PWSERVE, option 4. Account is transferring via <input type="checkbox"/> ACAT <input type="checkbox"/> Non-ACAT. If ACAT or Non-ACAT, the branch should process the transfer and retain the paperwork. All Account Transfer procedures are available on InfoNet.	
Authorization (UBS PaineWebber completes): To the prior trustee or custodian. Please be advised that UBS PaineWebber will accept the above-captioned account as successor custodian.	
Successor Custodian/Trustee Authorized Signature:	Date:

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UBS 002304

**UBS PaineWebber InsightOne™ Brokerage Account Agreement**
**INTRODUCTION**

This Agreement ("Agreement") contains the terms and conditions governing Client's non-discretionary brokerage account (the "Account") in the UBS PaineWebber InsightOne Program (the "Program"). Terms used in this Agreement shall be defined as follows:

- "Application" means this Agreement and the application form entitled "Account Application," containing a signature and acknowledgment of receipt and review of this Agreement.
- "Card Issuer" means the issuer of Platinum MasterCard® appointed by UBS PaineWebber from time to time.
- "Cashfund" means UBS PaineWebber Cashfund, Inc. as more fully described in the prospectus of UBS PaineWebber Cashfund, Inc.
- "Check Provider" means, as applicable, the provider or processor of UBS PaineWebber RMA checks appointed by UBS PaineWebber from time to time.
- "Client" means the person designated on the Application as the "Sole Owner," Primary Account Holder, Trust or Estate or Joint Account Holder, Trustee, Executor or Administrator.
- "Disclosure Documents" collectively refers to the Account Information booklet, the loan disclosure statement and the prospectus(es) of the money market funds and the offering documentation for the other sweep options.
- "Funds" means one or more of the RMA money market funds as more fully described in the prospectus of the UBS PaineWebber RMA Funds.
- "UBS PaineWebber" means UBS PaineWebber Inc., its successor firms, subsidiaries, correspondents and/or affiliates, including without its parent company, UBS AG, and all its subsidiaries and affiliates.
- "Other Sweep Options" means such other applicable sweep investment options as may be offered from time to time.
- "Property" includes, but is not limited to, securities, money, stocks, options, bonds, notes, futures contracts, commodities, commercial paper, certificates of deposit and other obligations, contracts, all other property usually and customarily dealt in by brokerage firms and any other property that can be recorded in any of Client's accounts with UBS PaineWebber.
- "RMA" means Resource Management Account. RMA's features are more fully described in the booklet entitled "Account Information."
- "Securities Intermediary" means: 1) a clearing corporation; or 2) a person, including a bank or broker, that in the ordinary course of business maintains securities accounts for others and is acting in that capacity, as such terms are interpreted under Section 8-102(a)(14) of the Uniform Commercial Code.

**DESCRIPTION OF THE PROGRAM**
**Services Included**

In this brokerage Account, UBS PaineWebber provides Client with its customary securities brokerage and execution services. Other available products and services traditionally provided by UBS PaineWebber to clients on a non-discretionary basis as a full-service broker dealer include RMA Features, UBS PaineWebber online information, trading and other services as described below (together "Services"). Certain of the Services may be subject to limitations on their availability as required by law, regulation, rule or UBS PaineWebber's policies and may require Client to execute additional agreements to obtain such Services.

**Minimum Account Size**

The minimum Account size in the Program is \$50,000 in Eligible Assets (as described below under "Eligible

Assets"). If a Client links Accounts (as described below under "Linked Accounts"), only one of the Linked Accounts is subject to this minimum Account size requirement. Each other Linked Account is subject to a minimum Account size of \$10,000 in Eligible Assets. If an account does not meet the minimum asset requirement it may not be accepted into the Program, but will remain an RMA account and RMA fees and transaction commissions may apply. See Resource Management Account Agreement section below. If the Account falls below the required minimum, UBS PaineWebber will have the right to require that additional monies or securities be deposited to bring the Account up to the required minimum or convert the Account to a commission-based account.

**Eligible Assets**

The following are Eligible Assets:

- equities; including, but not limited to, common stock, master (publicly traded) limited partnership shares or units, convertible preferred stock, convertible bonds, shares of closed-end investment companies, American Depository Receipts, Ordinary Foreign Shares, and any rights or warrants on equities;
  - equity options and equity index options;
  - Eligible Mutual Fund Shares - These are shares of mutual funds designated by UBS PaineWebber, some of which may be advised by UBS PaineWebber. They include no-load shares, load-waived shares, certain shares on which Client paid a front-end sales load if Client has held those shares for at least twenty-four (24) months, and shares of Eligible Mutual Fund Shares that are acquired in the Account upon dividend reinvestments or through an automatic investment program;
  - Eligible Unit Investment Trusts - These are units in unit investment trusts designated by UBS PaineWebber that may be sponsored by UBS PaineWebber, either alone or as co-sponsor with other broker-dealers, and from which UBS PaineWebber may earn fees for acting as a sponsor. Eligible Unit Investment Trusts are available through the Account without imposition of a sales charge (either upon purchase or sale), including units acquired through dividend reinvestment or automatic reinvestment plans;
  - Eligible Annuities - These are annuities designated by UBS PaineWebber, some of which may include portfolios advised by UBS PaineWebber;
  - Eligible Managed Futures Funds - These are units of beneficial interest in trusts or similar pools designated by UBS PaineWebber that invest in U.S. and international futures, forward and swap markets, financial futures contracts, metal and energy products and other commodity interests. Strategies used by the managers of these trusts and pools may include options on futures contracts and forward currency contracts;
  - fixed-income securities; (including, but not limited to, U.S. Treasury and federal agency securities, corporate bonds, commercial paper, municipal bonds, preferred stock, mortgage-backed securities, TIGRs); and
  - cash and certain cash equivalents, including money market fund shares as specified in this Agreement.
- UBS PaineWebber may add or delete securities or other investments from the definition of Eligible Assets. Eligible Assets may be subject to prospectus and Account limitations. Client should periodically consult with his or her Financial Advisor as to the availability of new Eligible Assets.
- Comparing the Costs and Benefits of Eligible and Ineligible Assets**
- The cost of purchasing any Eligible Assets in the Account may be more or less than the costs of purchasing the same or a very similar investment in a commission-based account. Client needs to consider factors such as the amount of the Asset-Based Fee, the applicable sales charge, the investment's anticipated performance, and how long Client intends to hold any of these Eligible Assets, in particular when considering the purchase of a mutual fund, unit investment trust, annuity or a managed futures fund.

**Special Features Relating to Certain Eligible Assets**  
 Certain unique features applicable to certain Eligible Assets are as follows:

**Eligible Mutual Funds**

When selling shares of Eligible Mutual Funds to Client, UBS PaineWebber will act as a broker and not a dealer in all dealings with Client. Any purchase of Eligible Mutual Fund Shares in the Program through UBS PaineWebber will be executed in UBS PaineWebber's capacity as agent for Client, even though UBS PaineWebber may have a dealer agreement with a particular mutual fund or be or become the principal underwriter of the fund.

This Account is not intended for clients interested in investing primarily in shares of no-load funds. Client could avoid paying the Asset-Based Fee (as described below) on no-load Eligible Mutual Fund Shares if Client were to purchase them directly from the mutual fund, its principal underwriter or distributor. A charge may be imposed upon transfers of Eligible Mutual Fund shares out of the Account in certain circumstances. See "Transfer Fees" below. As a deterrent to short term mutual fund trading, mutual fund companies may also impose a charge for early redemptions in brokerage accounts, but these redemption fees are neither imposed by, nor paid to, UBS PaineWebber except for Eligible Mutual Funds advised or distributed by UBS PaineWebber or its affiliates.

UBS PaineWebber may, in its discretion, accept into the Account Client's shares of Non-Affiliated Funds and/or shares of Affiliated Funds purchased outside of the Program. These shares may have been assessed a sales load, sales charge or distribution fees prior to being transferred and you will be assessed an InsightOne Fee based on the value of those shares. However, the InsightOne Fee shall not apply to any shares purchased with a front-end sales load until two years after the date of initial purchase. If, in UBS PaineWebber's opinion, documentation is insufficient to indicate the holding period for such shares, the InsightOne Fee will not apply to such shares until two years after they are placed in the InsightOne account.

It is not necessary to liquidate ineligible securities prior to participating in InsightOne. Any ineligible InsightOne investment, including non-participating mutual funds or securities, will not be considered Program assets for billing purposes, but will appear on your account statement. If you sold mutual fund shares prior to entering into the Program, you may have paid certain fees with respect to that sale or incurred charges on the initial purchase of certain share classes. You will now incur an InsightOne fee on Eligible Mutual Fund Shares held in the Account, in addition to the operating fees and expenses applicable to mutual funds.

**Eligible Unit Investment Trusts**

Eligible Unit Investment Trusts are available through the Account without imposition of a sales charge (either upon purchase or sale), including units acquired through dividend reinvestment or automatic reinvestment. Clients may invest in units of unit investment trusts that hold the same portfolio of securities as an Eligible Unit Investment Trust and are subject to sales charges. Such units will be ineligible Assets, not subject to the Asset-Based Fee. As a general matter, unit investment trusts with a term of one or two years are less expensive if purchased as Eligible Unit Investment Trusts.

**Eligible Annuities**

With respect to Eligible Annuities, UBS PaineWebber will act as a broker, not a dealer, in all dealings with the Client in selling any Eligible Annuity contract. Insurance and annuity products are made available by insurance-licensed subsidiaries of UBS PaineWebber through third party insurance companies unaffiliated with UBS PaineWebber.

**Eligible Managed Futures Funds**

Many Eligible Managed Futures Funds use leverage or borrowed money to make investments that may enhance the risks and potential rewards of investing in these instruments. In addition, fees imposed by these funds typically include a single asset-based fee for all brokerage and management services from which clearing brokers and selling agents (in either case, possibly UBS PaineWebber) are paid and may impose performance fees as well. Additional documentation may be necessary prior to investing in these Eligible Assets to verify the accreditation of the

investor. Certain managed futures funds are significantly less expensive if purchased as an Eligible Managed Futures Fund.

#### Ineligible Assets

Any asset that is not included in the definition of Eligible Assets is an Ineligible Asset. Client may purchase or deposit most Ineligible Assets in this Account as described in "Contributions and Withdrawals" below. The Asset-Based Fee will not be charged on Ineligible Assets in the Account, however, all purchases and sales of Ineligible Assets may be subject to transaction-based brokerage commissions and other charges. In addition, please see the section below, "Contributions and Withdrawals," for information regarding the application of the Asset-Based Fee to cash proceeds from the sale of Ineligible Assets in the Account.

#### Asset-Based Fee

The Account is charged a fee based on the market value of the Eligible Assets in the Account at least every calendar quarter (the "Asset-Based Fee"), payable in advance. The value of Eligible Assets will not be reduced by margin indebtedness or short positions. The Asset-Based Fee is expressed as an annual rate that is prorated for the quarterly or other billing period. However, regardless of the Asset-Based Fee rate specified in the Application or the amount of Eligible Assets, the minimum fee charged to the Account, will be \$1,250 annually (the "Minimum Fee"). The imposition of the Minimum Fee may cause the effective annual Asset-Based Fee rate to exceed the rate specified in the Application. See "Linking Accounts," below for a description of how related Accounts can be linked together and the effect of linking Accounts on the Minimum Fee.

The initial Asset-Based Fee will be due in full on the date the Account is accepted by UBS PaineWebber ("Opening Date") and will be prorated to cover the period from the Opening Date through the last day of the current billing period ("Initial Period"). Thereafter, the Fee will be based on the value of Eligible Assets on the last business day of the previous billing period and will not be subsequently adjusted for changes in the value of the Eligible Assets during the billing period (a "Fee Year"). The Initial Period and the subsequent three calendar quarters will be the first Fee Year.

Client authorizes UBS PaineWebber to deduct the Asset-Based Fee from the Account as set forth in the "Payments from Client's Account" Section of the Account Information booklet on the Application. Client will receive prior notice of any increase in the Asset-Based Fee rate. The Asset-Based Fee rate charged each billing period will be confirmed on Client's Account statement. Client's Financial Advisor will receive a portion of the Asset-Based Fee. Other fees and charges may apply. See the section below, "Other Fees and Charges."

#### Linking Accounts

Client may have two or more Accounts that qualify as "related accounts" under UBS PaineWebber's policy, as it may be changed by UBS PaineWebber in its sole discretion from time to time. Client may elect in the Application to have these Accounts treated as "Linked Accounts." All Eligible Assets in Client's Linked Accounts will be considered together to determine whether the Minimum Fee applies, and each Account will be billed its pro-rata share of any Minimum Fee due based on that account's amount of Eligible Assets.

#### Valuation of Eligible Assets

For purposes of calculating the Asset-Based Fee, securities listed on any national securities exchange will be valued, as of the valuation date, at the closing price on the principal exchange on which they are traded. Any other securities in the Account will be valued by UBS PaineWebber in a manner determined by UBS PaineWebber in good faith. Client understands that the value of securities may fluctuate due to many factors, including market conditions.

#### Agency and Principal Trades

Client understands that UBS PaineWebber may execute securities transactions in the Account acting as principal and expressly directs UBS PaineWebber to enter into such principal transaction in any case where UBS PaineWebber would execute such transactions as principal in the ordinary course of its business. Unless otherwise agreed to in writing, (1) Client agrees that UBS PaineWebber shall have no authority or responsibility to act as a "fiduciary" as such term is defined in Section 3(21) of ERISA, or to act as an investment adviser as such term is defined in

Section 1.1 of the Investment Advisers Act of 1940, and (2) Client shall make its own independent decisions regarding investments in the Account.

When UBS PaineWebber effects agency or principal Trades in options and equities, Client will pay the Asset-Based Fee (as described more fully below) in lieu of commissions or markups/markdowns on a per trade basis. Client should understand, however, that UBS PaineWebber may earn additional revenue in connection with principal trades because of a "dealer spread" (the difference between the bid and ask price) or because of any gains resulting from changes in the prices of securities held for its own account before sale to, or after purchase from, Client.

#### New Issues

The Asset-Based Fee will be applied to any new issues of equities and fixed-income securities purchased in the Account. However, the value of new issues purchased in this Account will be deducted from the value of Eligible Assets during the four quarters following purchase for purposes of calculating the Asset-Based Fee (as described below) or for as long as you hold the security, whichever is less. Client understands that new issues will generally be purchased only at the public offering price and UBS PaineWebber will receive a selling concession, or other compensation, as described generally in the relevant prospectus, offering circular or official statement.

#### Contributions and Withdrawals

Contributions may be in cash or securities, provided that UBS PaineWebber reserves the right to impose a waiting period on certain securities or to decline to accept particular securities into the Account. Each time that a contribution of Eligible Assets (including any cash transfers into the Account and the cash proceeds from the liquidation of an Ineligible Asset) is made during any billing period, a prorated Asset-Based Fee applicable to this contribution will be charged in arrears to the Account. This prorated Asset-Based Fee will be charged regardless of what Client does with the Eligible Assets during the remainder of the quarter, including purchasing Ineligible Assets or withdrawing cash.

Withdrawals are subject to applicable policies and procedures, Termination and Transfer Fees, and the Minimum Account Size (as set forth below). No fee adjustment or refund will be made with respect to withdrawals within a billing period.

#### Termination Fee

If Client terminates the Account in the first Fee Year, UBS PaineWebber may charge the Client a "Termination Fee." (See "Client Acknowledgment" below.) The Termination Fee will be the Asset-Based Fee, subject to the Minimum Fee, prorated for the remaining days in the first Fee Year. The Transfer Fee, described below, may be imposed in addition to any Termination Fee. UBS PaineWebber, upon written notice to Client, may terminate the Account, or in its sole discretion and without prior written notice to Client, convert the Account to a commission-based account for any reason, including inappropriate use of the Account. The Termination Fee may apply in instances of termination or conversion of the Account by UBS PaineWebber. Termination of the Account will be effective on the date the notice is sent to Client.

#### Transfer Fee

In addition, UBS PaineWebber may impose a "Transfer Fee" equal to 1% of the value of Eligible Mutual Fund Shares if these Eligible Assets were purchased originally in the Account within 12 months of the date of transfer out of the Account. The value of these Eligible Assets shall be determined as of the date of transfer.

#### Other Fees and Charges

In addition to the Asset-Based Fee, Client will pay certain other fees and charges, as set forth in this Agreement and in the "Selected Fees & Charges" Section of the Account Information booklet, fees required by law, SEC sales fees or fees for products and services that are not included in the Program. UBS PaineWebber or Client's Financial Advisor may suggest that Client use UBS PaineWebber products or services that are not included in the Program. If Client makes this choice, Client may pay additional fees and charges and/or UBS PaineWebber may receive additional compensation. With respect to aggregate trades of over 5,000 equity shares or 50 option contracts executed in the same security on the same side of the market (buy or sell) on the same day, Client will also pay \$.02 per equity share on all shares over 5,000 and \$2.00 per option

contract on all contracts over 50. Client understands that these charges and fees may be imposed or changed from time-to-time without notice to Client, unless required by applicable rules and regulations, and Client agrees to be bound thereby.

#### Eligible Mutual Funds, Unit Investment Trusts, Annuities and Managed Futures Funds

As noted above, there are no sales charges imposed on the purchase of these Eligible Assets. However, as described in a prospectus or other offering materials, other fees and expenses apply to investments in these Eligible Assets. As investors in any of these Eligible Assets, Client indirectly bears his or her proportionate share of these fees and expenses. These fees and expenses apply in addition to the Asset-Based Fee. UBS PaineWebber will receive certain of these fees, pursuant to a Rule 12b-1 distribution plan or other arrangements as compensation for distribution, share-holder services, recordkeeping or administrative services, in connection with mortality and expense charges payable by the annuities to the insurance company, and other fees received in connection with the sale of Eligible Managed Futures Fund. UBS PaineWebber may pay a portion of such fees to Client's Financial Advisor. UBS PaineWebber may receive certain of the fees described in the prospectus for an Eligible Annuity directly or through one of its insurance-licensed affiliates.

#### Client Acknowledgments, Client Responsibility for Appropriateness of Account

Client acknowledges that he or she has independently determined that the Account is suitable and appropriate. Accordingly, Client has carefully considered all relevant factors, which may include Client's investment objectives and goals, past and anticipated investment activity, and past and anticipated use of products or services available in this Account and the costs and benefits associated with UBS PaineWebber InsightOne. Client understands that the products and services included in this Account are available to UBS PaineWebber clients in commission-based accounts, although separate fees may be incurred. The costs of this Account may be more or less than in an account where Client is charged on a transaction-specific basis. In addition, because some or all of these considerations may change over time, Client is responsible for reevaluating periodically whether this Account is appropriate under the circumstances then prevailing. Client understands that Client has the flexibility to determine the number of transactions executed in the Account and the extent to which Client utilizes the other Services in the Program; however, the Asset-Based Fee will be charged to the Account regardless of the extent of the trading activity or the use of any Services. If Client selects a third-party adviser or other individual or entity to manage the InsightOne account, Client further acknowledges that selection of such third-party was made solely by without assistance, recommendation or endorsement of such third-party from UBS PaineWebber. UBS PaineWebber may withhold acceptance of the Account, in its own discretion or require additional documentation from Client.

#### Investment Purposes for the Account

Client acknowledges that the Account is designed for long-term investment purposes and is not intended to be used for day trading or other excessive trading activity, as defined by UBS PaineWebber in its own discretion.

#### Risks of Investing; UBS PaineWebber Does Not Have Discretion

Client understands that all investments involve risk and that certain types of investments involve substantially more risk than others. Client understands and acknowledges that Client will make independent decisions regarding the selection of investments for the Account and that neither UBS PaineWebber nor any of its Financial Advisors, employees or representatives will have any discretionary authority or control with respect to the Account. Thus, UBS PaineWebber will execute securities transactions for the Account only as specifically instructed by Client or Client's authorized representative. Client is responsible for losses resulting from client-initiated, client-directed, or other client authorized trading in the Account.

Client further understands and acknowledges that neither UBS PaineWebber nor any of its Financial Advisors, officers or employees will act as an "investment adviser" as such term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act"), and that the provision of the Advisers Act will not be applicable to the relations between UBS PaineWebber (including any of its Financial Advisors, officers or employees) and Client.

Confidential Treatment  
Requested by  
WILMER CUTLER PICKERING  
HALE AND DORR LLP

UBS 002306

regarding the Account.

#### Tax Disclosure

Client acknowledges that the payment of an Asset-Based Fee based on the value of the Account may produce income tax results different from those resulting from the payment of brokerage commissions on a per trade basis or the payment of separate fees for other Services. Client also acknowledges that UBS PaineWebber and its employees do not, and will not, offer or provide tax, legal or accounting advice, and that Client should seek the counsel of a qualified professional.

#### Resource Management Account Agreement

##### Authorization

If Client selects a Resource Management Account (RMA) on the Account Application, Client hereby requests UBS PaineWebber to provide the selected RMA features to this Account. Trust account clients may opt for the Personal Trust Account (PTA) which is an RMA for trust accounts and hereafter included in references to "RMA". Client understands that if Client currently has an account with UBS PaineWebber it will be converted into an RMA. If such RMA features are selected for this account and Client is eligible for one or more of such features or services, Client authorizes UBS PaineWebber to redeem automatically any shares of Cashfund, the Retirement Money Fund and any other money market fund or similar mutual fund shares Client holds in the Account and to invest the proceeds as provided in the section of this Agreement entitled "Money Market Funds and Other Sweep Options" below.

Client understands that Client's request to open an RMA is subject to approval by UBS PaineWebber in its sole discretion. If approved, UBS PaineWebber will open Client's RMA after receipt by UBS PaineWebber of a signed Account Application, and, if applicable, a completed section for checks and Platinum MasterCard and/or margin if Client selected such features. Certain of the services may be subject to limitations on their availability as required by law, regulation, rule or UBS PaineWebber's policies. Client will automatically be considered for margin unless Client has indicated on the Application their election not to be considered for margin. By signing the Application, Client acknowledges that Client has received and read the Disclosure Documents.

Client's authorization shall remain in full force and effect until a reasonable time following receipt by UBS PaineWebber of written notice of revocation.

##### Money Market Funds and Other Sweep Options

Client agrees and authorizes UBS PaineWebber to invest all credit balances in Client's RMA into the Funds or Other Sweep Options indicated on the Application which Client has chosen (hereafter referred to as "Primary Sweep Option"). If Client does not select a Primary Sweep Option, Client authorizes UBS PaineWebber to invest all credit balances into the RMA Money Market Portfolio.

Additionally, Client authorizes UBS PaineWebber to make withdrawals in accordance with the terms of the Disclosure Documents. Client agrees that UBS PaineWebber has the right to withhold any redemption or liquidation proceeds or other payments from Client's RMA until all funds placed on account in Client's RMA have been collected. The collection periods are set forth in the Disclosure Documents. Client acknowledges that UBS PaineWebber may delay acting on Client's instructions or effecting payments until Client's Account contains funds sufficient to meet Client's obligations.

##### Check Writing Privilege

If Client selects the check writing feature on the Application, Client may write checks or authorize drafts against a RMA checking account serviced by the Check Provider. Client may use these checks only in conjunction with Client's RMA and only up to amounts within the Account's "Withdrawal Limit" as defined in the Disclosure Documents. Client authorizes UBS PaineWebber to reimburse the Check Provider in federal funds when checks or drafts are presented to the Check Provider and to automatically debit Client's RMA on the day of payment to the Check Provider. Client agrees to have sufficient assets in Client's RMA on the day UBS PaineWebber receives notification for payment from the Check Provider of payment of a check as well as on the day Client writes the check. Client understands that the checks may be used in the same manner and are subject to the normal procedures, rules and regulations as regular checks payable at the Check Provider. Client hereby authorizes the Check

Provider to honor checks (a) bearing a signature with an approved first name, a middle initial or a name deleted or added if the Check Provider otherwise reasonably believes the signature to be authorized and (b) bearing only one signature unless Client instructs the Check Provider in writing that multiple signatures are required. Further, Client authorizes the Check Provider to honor unsigned drafts presented by third parties based on a signed separate written authorization from Client to any such third party.

##### Platinum MasterCard(s)

If Client selects a Platinum MasterCard ("Card") on the Application, Client must also apply to the Card issuer in order to receive the Card. If approved for a Card, Client authorizes UBS PaineWebber and the Card Issuer to effect Card transactions in the manner described in the Disclosure Documents.

Client understands that the Card is a debit card and will allow Card transactions to the "Withdrawal Limit" (as described in the Disclosure Documents). Client agrees to have sufficient available assets to make payment in full for Card transactions as they become available and understands that if sufficient assets are not available to cover Card transactions, the Card Issuer may suspend and then cancel Client's Card. Client agrees that the use of any Card in connection with Client's RMA will also be governed by the terms and conditions contained in the Cardholder Agreement that Client will receive after Client's Card application is accepted by the Card Issuer.

By accepting a Card, Client agrees that Client will not dispose of Client's assets in Client's RMA or any other account Client may have with UBS PaineWebber, if such disposal will negatively affect Client's ability to pay UBS PaineWebber for Card transactions. Client agrees and understands that UBS PaineWebber has the right to apply assets in any of Client's accounts with UBS PaineWebber to pay debts incurred on Client's Card or to pursue any other assets of Client to pay debts incurred on Client's Card.

##### Limitations

Client agrees that Cards or checks issued in connection with Client's RMA cannot be used to purchase securities or any other products or services available through UBS PaineWebber. Client further understands and agrees that UBS PaineWebber may request and the Card Issuer and the Check Provider may provide UBS PaineWebber with copies of checks and/or MasterCard and bill payment drafts processed from Client's RMA.

##### RMA Fees

Client will pay the Check Provider and/or UBS PaineWebber customary fees for specially imprinted checks, stop payment orders, copies of checks more than one month old and checks returned for insufficient funds. Client authorizes UBS PaineWebber to charge the Client's RMA for all other fees owed by Client.

UBS PaineWebber reserves the right to begin to impose charges for utilization of RMA features at any future date.

##### Payments

Client authorizes UBS PaineWebber to pay from the Withdrawal Limit in Client's RMA for all debts incurred by Client to UBS PaineWebber, the Card Issuer or the Check Provider in connection with RMA services as set forth in the "Payments" section of the Account Information Booklet. Debts include, but are not limited to, the amounts Client owes to UBS PaineWebber for securities purchases, RMA Account fees, drafts, fees for federal fund wires, customary transactional and brokerage fees as well as interest Client may owe UBS PaineWebber as a result of margin calls and/or loans in any of Client's accounts with UBS PaineWebber. Debts also include any Card transactions, Electronic Funds Transfer Service debits, Bill Payment Service transactions, drafts or check charges, or any other means by which Client authorizes a third party to debit any of Client's accounts with UBS PaineWebber (in the case of the Card Issuer or Check Provider limited, however, to the amount of the Withdrawal Limit). This is in addition to, and not in anyway limiting, any other rights UBS PaineWebber may have, including without limitation, under the heading "Security Interest" of the General Terms and Conditions hereof.

#### MARGIN AGREEMENT

##### Authorization

Client will automatically be considered for margin unless Client has indicated on the Account Application that Client does not wish to be considered for margin. The margin option is not available to ERISA plans. Client acknowledges that UBS PaineWebber will receive increased compensation in connection with the Account from Client's use of margin borrowing. In return for UBS PaineWebber's extension or maintenance of credit in connection with this Account, Client acknowledges that UBS PaineWebber and its successors and assignees are authorized in the usual course of business to lend, re-lend, hypothecate, pledge or repledge separately or together with property of others either to UBS PaineWebber or to others any Property which UBS PaineWebber may carry for Client on margin or until such time as payment is received for any such Property. In certain circumstances, such loans, may limit, in whole or in part, Client's ability to exercise voting rights of the securities lent. In connection with such loans, and in connection with securities loans made to Client in connection with short sales, UBS PaineWebber is authorized to receive and retain certain benefits (including, but not limited to, interest on collateral posted for such loans) to which Client will not be entitled. Client's authorization of a margin feature shall remain in full force until UBS PaineWebber receives written notice of revocation.

##### Margin Requirements

Client agrees to maintain in the Account such positions and margin as required by all applicable statutes, rules, regulations, procedures and customs or as UBS PaineWebber deems necessary or advisable, and where applicable, to satisfy any and all margin calls issued in connection with the Account.

##### Risk

Client understands that there are substantial risks involved in trading securities on margin, especially in periods of market volatility. When Client buys on margin, losses can increase significantly just as gains can increase. A decline in the value of the securities purchased on margin may require Client to deposit additional funds into the Account. Unlike a cash trade, when a trade is done on margin, losses can exceed the amount of capital Client committed to the trade. If Client is unable to meet a margin call, and under certain circumstances, UBS PaineWebber can force the sale of securities in the Account without notifying Client, and Client may have to sell the securities at unfavorable prices. For small transactions, the costs involved in utilizing margin may outweigh any benefit to Client. Please review carefully the disclosure document entitled "Loan Disclosure Statement - Risk Factors You Should Consider Before Using Margin or Other Loans Secured by Your Securities Accounts" included with the application for a detailed discussion of the risks involved with the use of margin.

##### Liquidation and Covering Positions

UBS PaineWebber shall have the right, at any time and without prior notice, to satisfy a margin call or to obtain full payment of the margin loan, all without demand for margin or additional margin, other notice of sale or purchase, or other notice of advertisement. To satisfy a margin call or to obtain full payment of the margin loan, UBS PaineWebber shall have the right in accordance with UBS PaineWebber's general policies regarding UBS PaineWebber's margin maintenance requirements then in existence (or, if in its discretion UBS PaineWebber considers it necessary for Client's or UBS PaineWebber's protection; or, in the event a petition in bankruptcy, or for the appointment of a receiver, is filed by or against Client, or an attachment is levied against any account with UBS PaineWebber or in the event of Client's death or dissolution) to (i) require additional collateral, (ii) sell any or all Property in any of Client's accounts with UBS PaineWebber, whether carried individually or jointly with others, (iii) buy any or all Property which may be held short in the Account, (iv) cancel any open orders and close any or all outstanding contracts or (v) liquidate any of Client's accounts with UBS PaineWebber. Any such sales or purchases may be made at UBS PaineWebber's discretion on any exchange or other market where such business is usually transacted, or at public auction or private sale, and UBS PaineWebber may be the purchaser for UBS PaineWebber's own account. UBS PaineWebber shall not be responsible for losses incurred by Client if UBS PaineWebber sells Client's property or positions, irrespective of whether or not UBS PaineWebber notifies Client of a margin call giving rise to such sale. UBS PaineWebber may at any time, and in its sole discretion, subject to applicable rules and regulations, amend the

requirements applicable to Client's margin account, including changing the level of credit available to Client and applicable maintenance requirements. It is understood that a prior demand, or call, or prior notice of the time and place of such sale or purchase shall not be considered a waiver of UBS PaineWebber's right to sell or buy without demand or notice as herein provided. In addition, as set forth in "Liquidation of Collateral or Account" below, UBS PaineWebber may satisfy any and all amounts that Client owes in connection with the Account from any or all Property held in the Account or in any other account Client may have with UBS PaineWebber.

#### AGREEMENT FOR JOINT ACCOUNTS

The form of ownership selected may have significant legal consequences. Any references to a particular form of joint ownership contained in the Application or other Account documentation are for convenience only and Client should not rely on the reference as meaning such form of ownership is recognized in a particular state or otherwise appropriate for Client.

If Client needs information about what form of ownership is appropriate for Client, Client should consult Client's tax or legal advisor. UBS PaineWebber and its employees do not give tax or legal advice. If the Application includes an election for a Joint Account, Client requests and instructs UBS PaineWebber to open an account (the "Joint Account") on UBS PaineWebber's books for the purchase and sale of stocks, bonds, options and other securities, evidences of indebtedness and commodities. Notwithstanding the particular form of joint ownership elected by Client on the Application, Client understands and agrees that UBS PaineWebber shall treat such Joint Account as being the sole property of Client, Client's interests in it being as joint tenants and not as tenants in common so that on the death of any Client the survivor(s) will be the sole owner(s) of whatever monies and Property may remain to the credit of the Joint Account. Client agrees that any and all controversies which may arise between Client and UBS PaineWebber are subject to the arbitration and governing law clauses contained herein. See "Applicable Law" and "Arbitration" below.

Any individual Client who is a Joint Account Holder has full power and authority to make purchases and sales, including short sales (if the Client has authorized margin), to withdraw any and all Property from, or to do anything else in reference to the Joint Account, either individually or in Client's joint names, and UBS PaineWebber, the Card Issuer and the Check Provider are authorized and directed to act upon instructions received from any individual Client and to accept payment and securities from any individual Client for the credit of the Joint Account. In consideration of UBS PaineWebber carrying a Joint Account on margin or otherwise, each Client agrees to be jointly and severally liable for the Joint Account and in connection with any transaction in the Joint Account and to pay on demand any debit balance or losses at anytime due in the Joint Account. Any and all notices, communications, or any demands for margin calls sent to any individual Client shall be binding upon all, and may be given by mail or other means of communication. UBS PaineWebber, in its sole discretion, may at any time demand payment on any debit balance or losses, irrespective of when due, in the Account, suspend all activity in the Joint Account pending instructions from a court of competent jurisdiction or require that instructions pertaining to the Joint Account or the property therein be in writing signed by both or all Clients. The individual authority of each individual Client to act in connection with the Joint Account shall continue until a reasonable time after UBS PaineWebber receives written notice from any individual Client closing the Joint Account.

Each Client agrees to indemnify and hold UBS PaineWebber, Cashfund, the Primary Sweep Option or the RMA Money Market Portfolio, as applicable, and the Card Issuer and Check Provider harmless from and Against any losses, causes of action, damages and expenses arising from or as a result of UBS PaineWebber or the Card Issuer and Check Provider following the Instructions of any of the Clients.

#### GENERAL TERMS AND CONDITIONS

##### Client Representation

The individual(s) signing the Account Application represent (s) to have reached the age of majority according to the laws of the state of Client's residence and according to the

laws of the State of New York or if the individual(s) is signing on behalf of an organization, he/she/it has the authority to execute this Agreement. Client represents that it is duly authorized to conduct business in the jurisdiction from which it transacts business. Client agrees to abide by UBS PaineWebber's policies, and the Rules and Regulations as set forth below. Client will notify UBS PaineWebber promptly if Client is, or becomes, employed by any of the following: any exchange or any corporation of which any exchange owns a majority of the capital stock; any member or firm registered on any exchange; any bank, trust company, insurance company; or any company or individual dealing, either as broker or principal, in stocks, bonds or any other securities, commodities, commercial paper or other financial instruments or assets. Except as provided for, or disclosed, in this Agreement, no one other than Client has or will have an interest in the Account unless and until UBS PaineWebber is notified in writing by Client, and under such circumstances until UBS PaineWebber agrees to continue to carry the Account. Client understands that UBS PaineWebber is prohibited under the National Association of Securities Dealers' (NASD) Free Riding and Withholding Interpretation from selling securities in certain public offerings to persons restricted by such rules. Unless Client has so described on the Application, Client is not presently so restricted, and if Client is or becomes so restricted, Client agrees to notify UBS PaineWebber promptly. Client represents that he, she or it has and will have all necessary licenses, authorizations, consents, approvals (and, if the Client is not an individual, powers in its authorization papers) to enable Client to effect all transactions in investments under the Terms and Conditions of this Agreement. The individual(s) signing the Application represents and warrants that if Client is a corporation, partnership, sole proprietorship, foundation/charitable organization, custodian, conservator, guardian, executor or trustee, each of such individuals or entities signing on behalf of Client have the authority to open this Account on behalf of Client and to conduct transactions, including transactions involving the remittance or withdrawal of cash or other Property to or from an account, on behalf of Client according to Client's direction.

Subject to any applicable financial privacy laws and regulations, Client understands and agrees that data regarding Client and the Account may be shared with UBS PaineWebber's affiliates. Further, subject to any applicable financial privacy laws and regulations, Client requests that UBS PaineWebber share such personal financial data with the Card Issuer and Check Provider and other non-affiliates of UBS PaineWebber as is necessary to effect, administer or enforce, or to service, process or maintain, all transactions and accounts contemplated by this Agreement. Pursuant to the USA Patriot Act, UBS PaineWebber is requesting certain identification information from Client for purposes of identification verification.

Client authorizes UBS PaineWebber to obtain a credit report or other credit references concerning Client (including, without limitation, making verbal or written inquiries concerning Client's credit history) or to otherwise verify credit information given to UBS PaineWebber at any time. Client authorizes the release of this credit report or other credit information to the Card Issuer and Check Provider or to UBS PaineWebber affiliates as is necessary to effect, administer or enforce, or to service, process or maintain all transactions and accounts contemplated by the Agreement, and for the purpose of offering additional products, from time to time, to Client. Client authorizes UBS PaineWebber to exchange Client information with any party it reasonably believes is conducting a legitimate credit inquiry in accordance with the Fair Credit Reporting Act. UBS PaineWebber may also share credit or other transactional experience with Client's designated Financial Advisor or other parties designated by Client.

Each of the signatories to the Application represents and warrants that they have the necessary power and authority to open the Account being opened pursuant thereto on behalf of the named entity, and to place in such Account and to use the assets of such Account according to their discretion.

Special Accounts - for use by foundations/ charitable organizations, custodian accounts, conservatorship/guardianships, estates and trusts

Each of the signatories to the Account Application represents and warrants that they have the necessary power and authority to open the Account being opened

pursuant thereto on behalf of the named individual or entity, and to place in such Account and to use the assets of such Account according to their discretion.

#### For Trusts and Custodial Accounts

If Client is acting as executor, trustee, conservator, guardian or custodian, Client understands that it is a fiduciary on behalf of the beneficial owners of the Account and that Client has a fiduciary duty to use the services provided through the Account and related services and features his or her beneficial owners of the Account and not for his or her own benefit. Client acknowledges that he or she has made an independent determination that Account activity is suitable and appropriate for the trust or custodial Account. Client understands that this determination is solely the responsibility of Client and not UBS PaineWebber.

#### Rules and Regulations

All transactions in the Account shall be subject to the constitution, rules, regulations and custom and usage of the exchange or market and its clearing agency, if any, on which such transactions are executed by UBS PaineWebber or UBS PaineWebber's agents, including UBS PaineWebber's subsidiaries and affiliates. Such transactions are also subject, where applicable, to the provisions, rules and regulations of the Securities and Exchange Commission, the Commodity Futures Trading Commission, and the Board of Governors of the Federal Reserve System in existence at this time and as later amended and supplemented. Client acknowledges that UBS PaineWebber is subject to examination by various federal, state and self-regulatory organizations and that books and records maintained by UBS PaineWebber are subject to inspection and subpoena by these regulators and by federal, state, and local law enforcement officials. Client also acknowledges that such regulators and officials may, pursuant to treaty or other arrangements, in turn disclose such information to the officials or regulators of other countries, and that U.S. courts may be required to compel UBS PaineWebber to disclose such information to the and officials or regulators of other countries. Client agrees that UBS PaineWebber may disclose to such regulators and officials information about Client and transactions in the Account without notice to Client. In addition, UBS PaineWebber may in the context of a private dispute be required by subpoena or other judicial process to disclose information or produce documentation related to Client, the Account or other accounts at UBS PaineWebber. Client agrees and acknowledges that UBS PaineWebber reserves the right, in its sole discretion, to respond to subpoenas and judicial process as it deems appropriate.

#### Anti-Money Laundering

UBS PaineWebber is firmly committed to complying with all applicable laws, rules and regulations, including those related to combating money laundering. Client understands that Client must take all necessary steps to comply with the anti-money laundering laws, rules and regulations of Client's country of origin, country of residence and the status of Client's transaction.

#### Liability

Client acknowledges and agrees that Client will be personally liable for any fees or other obligations accruing to UBS PaineWebber under this Agreement and Client hereby agrees to indemnify UBS PaineWebber, Cashfund, and Other Sweep Options or the Funds, as applicable, and the Card Issuer and the Check Provider against any losses arising from (a) any and all Account transactions effected or incurred by any person authorized to effect such transactions, including without limitation redemption of any shares of Funds, Other Sweep Options or Cashfund and any other money market fund and similar fund shares deposits and withdrawals of funds from the Primary Sweep Option, use of the check writing privilege (including unsigned drafts presented by third parties), security transactions, Card transactions, Electronic Funds Transfer Service and Bill Payment Services, Service transactions and (b) any debits, charges, fees or other obligations in the Account.

Client shall at all times be liable for the payment of any amounts advanced, any debit balances or other obligation owing in the Account and Client shall be liable to UBS PaineWebber for any deficiency remaining in the Account in the event of liquidation thereof, in whole or in part, by either Client or UBS PaineWebber. Additionally, Client agrees to be liable to UBS PaineWebber for any accrued interest on any such amounts at UBS PaineWebber's then customary rate, if applicable, otherwise the maximum rate allowable by law. Client fur

Confidential Treatment  
Requested by  
WILMER CUTLER PICKERING  
HALE AND DORR LLP

UBS 002308

ther agrees to indemnify UBS PaineWebber against any loss, cost, expense, liability or damages arising out of Client's obligations hereunder. Client will be liable for the reasonable costs and expenses of collection (including attorney's fees), for any unpaid losses, fees or other amounts owed by Client to UBS PaineWebber or against which Client has indemnified UBS PaineWebber under the preceding sentence. Client shall be liable for any and all losses, claims, damages, penalties, fines, settlements, costs, causes of action, debts, dues, sums of money, accounts, accountings, reckonings, acts, omissions, demands, obligations, actions, suits, proceedings, judgments, liabilities and expenses (including without limitation all expenses of litigation or preparation therefor, whether or not UBS PaineWebber is a party thereto) which UBS PaineWebber may pay or incur arising out of any claims by any person or entity in any way relating to this Account. Neither UBS PaineWebber nor its officers, directors, employees or agents shall under any circumstances or for any reason have any liability to Client for any consequential damages arising out of this Agreement and/or any services provided pursuant to this Agreement.

Client agrees that, in the event of the death of any Client, the survivor(s) or the estate shall immediately give UBS PaineWebber written notice thereof, and UBS PaineWebber may, before or after receiving such notice, take such actions, require such papers, inheritance or estate tax waivers or federal transfer certificates, retain such portion of the Account or any other account Client may have with UBS PaineWebber and restrict transactions in the Account as UBS PaineWebber may deem advisable to protect UBS PaineWebber against any tax, liability, penalty or loss under any present or future laws or otherwise. Client's estate and the Account shall be jointly liable for all costs (including reasonable attorney's fees and costs) UBS PaineWebber and/or the Card Issuer and Check Provider may incur in connection with the disposition of the Account and related assets and liabilities in the event of Client's death, disability or dissolution.

UBS PaineWebber and/or the Card Issuer and the Check Provider shall be entitled to recover from a Joint Account or from any Client prior to any distribution of Property such costs as it may incur, including reasonable attorney's fees, as a result of any dispute between the Clients relating to or arising from a Joint Account or occasioned by the death of one or more Clients holding a Joint Account.

The estate of any Client holding a Joint Account who shall have died shall be liable and the survivor shall continue to be liable, jointly and severally, to UBS PaineWebber and/or Card Issuer and/or Check Provider for any net debit balance or loss in the Joint Account in any way resulting from the completion of the transactions initiated prior to receipt, by UBS PaineWebber, of the written notice of the death of the decedent, or incurred in the liquidation of the Joint Account or the adjustment of the interests of the respective parties. The estate of the decedent and the survivor shall hereby jointly and severally agree to fully indemnify and hold harmless UBS PaineWebber and the Card Issuer and the Check Provider from any liability for any taxes which may be owed in connection therewith or any claims by third parties.

If the Account is maintained with rights of survivorship, in the event of the death of either or any Client, all assets in the Account shall pass to and be vested in the survivor(s) on the same terms and conditions as previously held, without in any manner releasing the decedent's estate from the liabilities herein.

#### Security Interest

As security for the payment of all liabilities or indebtedness presently outstanding or to be incurred under this or any other agreement between UBS PaineWebber and Client, Client grants UBS PaineWebber a security interest in any and all Property belonging to Client or in which Client may have any legal, equitable or other interest held by UBS PaineWebber or carried in any of Client's accounts with UBS PaineWebber. All Property shall be subject to such security interest as collateral for the discharge of Client's obligations to UBS PaineWebber, wherever or however arising and without regard to whether or not UBS PaineWebber made loans with respect to such Property. In enforcing UBS PaineWebber's security interest, UBS PaineWebber shall have the discretion to determine the amount, order and manner of Property to be sold and shall have all the rights and remedies available to a secured party under the New York Uniform Commercial Code. Without UBS PaineWebber's prior written consent, Client will not cause or allow any of the Property held in

any of Client's accounts with UBS PaineWebber, whether now owned or hereafter acquired, to be or become subject to any liens, security interests, mortgages or encumbrances of any nature other than UBS PaineWebber's security interest therein.

#### Liquidation of Collateral or Account

UBS PaineWebber may satisfy any and all amounts that Client owes UBS PaineWebber in connection with the Account from Property held by UBS PaineWebber or carried in any of Client's accounts with UBS PaineWebber. Additionally, UBS PaineWebber may sell any or all Property held in any of Client's accounts with UBS PaineWebber and cancel any open orders for the purchase or sale of any Property without notice in the event of Client's death or dissolution or whenever in UBS PaineWebber's discretion UBS PaineWebber considers it necessary for its protection. In such events UBS PaineWebber also may borrow or buy-in all Property held in any of Client's accounts with UBS PaineWebber required to make delivery against any sale effected for Client. Such sale or purchase may be public or private and may be made without advertising or notice to Client and in such a manner as UBS PaineWebber may in its discretion determine. No demands, calls, lenders or notices by UBS PaineWebber shall invalidate this waiver by Client. At any such sale UBS PaineWebber may purchase the Property free of any right of redemption and Client shall be liable for any remaining deficiency in any of Client's accounts with UBS PaineWebber, plus any accrued interest on such deficiency at UBS PaineWebber's then customary rate, if applicable, or, if not applicable, the maximum rate allowable by law. UBS PaineWebber shall not be liable to Client in any way for any adverse tax consequences resulting from a liquidation of appreciated collateral.

#### Orders, Executions, Deliveries, Settlements and Oral Authorizations

Any order which Client gives shall be binding upon Client, and Client's personal representative(s) or authorized agents until UBS PaineWebber receives notice of Client's death, in the case of an individual, or dissolution, in the case of an entity. Such death or dissolution and notice will not affect UBS PaineWebber's right to take any action which UBS PaineWebber could have taken if Client had not died or been dissolved. Client agrees that UBS PaineWebber shall incur no liability in acting upon oral instructions given to UBS PaineWebber by Client or Client's authorized agent concerning the Account. In giving orders to sell, Client will inform UBS PaineWebber which sales are "short" sales and which are "long" sales. A "short" sale means any sale of a security not owned by the seller or any sale that is consummated by delivery of a borrowed security. The designation of a sale order as "long" is Client's representation that Client owns the security, and if the security is not in UBS PaineWebber's possession at the time of the contract for sale, Client agrees to deliver it to UBS PaineWebber by the settlement date. In case of non-delivery of a security, UBS PaineWebber is authorized to purchase the security to cover Client's position and charge any loss, commissions and fees to the Account. Client agrees that if UBS PaineWebber fails to receive payment for securities purchased by Client, UBS PaineWebber may, without prior demand or notice, sell securities or other Property held by UBS PaineWebber in any of Client's accounts with UBS PaineWebber and any resulting loss may be charged to the Account. Client understands and acknowledges that securities can be traded in more than one marketplace. Unless Client directs that an order to purchase or sell securities be executed on a specified exchange or market and UBS PaineWebber agrees to such execution, UBS PaineWebber will, in its sole discretion, subject to applicable regulatory requirements and without prior notification to Client, execute the order on the over-the-counter market in any location or on any exchange, including a foreign exchange where such security is traded, either on a principal or agency basis.

#### Non-disclosure of Confidential and Material, Non-public Information

UBS PaineWebber provides a variety of services to its customers. In connection with providing these services, employees of UBS PaineWebber may from time to time come into possession of confidential and material, non-public information. Under applicable law, employees of UBS PaineWebber are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is a customer of UBS PaineWebber. UBS PaineWebber maintains and enforces written policies

and procedures that (1) prohibit the communication of such information to persons who do not have a legitimate need to know and (2) assure that UBS PaineWebber meets its obligations to customers and otherwise remains in compliance with applicable law. Client understands and agrees that these policies and procedures are necessary and appropriate and recognizes that, in certain circumstances, employees of UBS PaineWebber will have knowledge of certain confidential and material, non-public information which, if disclosed, might affect Client's decision to buy, sell or hold a security, but that they shall be prohibited from communicating such information to Client. Client also understands and agrees that UBS PaineWebber shall have no responsibility or liability to Client for failing to disclose such information to Client as a result of following its policies and procedures designed to provide reasonable assurances that it is complying with the law.

#### Non-U.S. Securities

If the Account contains securities issued by a non-U.S. issuer, Client acknowledges to the extent UBS PaineWebber is acting solely as a custodian with respect to such securities that absent arrangements by either the issuer or Client with UBS PaineWebber to the contrary regarding distribution of issuer communications, UBS PaineWebber will not be obligated to distribute issuer communications to Client.

#### Restrictions on Trading

Client understands that UBS PaineWebber may, in its sole discretion, with or without prior notice, prohibit or restrict trading of securities or substitution of securities in the Account and refuse to enter into any transactions with Client.

#### Deposits of Funds

All checks for deposit to the Account should be made payable to, or be endorsed to, UBS PaineWebber Inc.

#### Electronic Transfer of Funds

When giving UBS PaineWebber instructions to accept or transfer funds electronically to or from the Account to any bank or other entity, Client agrees to provide UBS PaineWebber with an accurate name and account number designating the account to receive such funds. Client acknowledges that neither UBS PaineWebber nor the bank or other receiving or transmitting entity is under any obligation to verify the identity of the beneficiary of the funds transfer and may rely exclusively upon the name or account number provided by Client. Client agrees to indemnify and hold UBS PaineWebber harmless from and against any and all cost, expense, claims or liabilities arising from the provision by Client of an inaccurate name or account number. When accepting or transferring funds, neither UBS PaineWebber nor the bank or other receiving or transmitting entity is under any obligation to determine whether the name and number provided by the Client refer to the same person or entity.

#### Transfer of Excess Funds; Exchange Rate Fluctuations

UBS PaineWebber may transfer excess funds between any of Client's accounts with UBS PaineWebber (including commodity accounts) for any reason not in conflict with the Commodity Exchange Act or any other applicable law. If UBS PaineWebber effects any transactions for Client requiring a foreign currency, any profit or loss as a result of a fluctuation in the applicable exchange rate will be charged or credited to the Account.

#### Principal, Interest and Dividend Payments

With respect to principal and interest payments on debt instruments, UBS PaineWebber may credit the Account with principal and interest due on the payment dates and UBS PaineWebber will be entitled to recover any such payments from Client if the same are not actually received by UBS PaineWebber from the trustee or paying agent. Client acknowledges that interest will not be paid to Client on credit balances in the Account unless specifically agreed to by UBS PaineWebber in writing. UBS PaineWebber is not required to remit interest or dividends to Client on a daily basis.

#### Fees and Charges

Client agrees to pay a late charge, to the extent permitted by law, if Client purchases securities on a cash basis and fails to pay for such securities by the settlement date. Any late charge UBS PaineWebber may impose will be at the maximum rate of interest set forth in UBS PaineWebber's then current "Statement of Credit Practices" (which is found in the Disclosure Documents), if applicable, or otherwise at the maximum rate permissible by law, and may be charged from the settlement date to the date of payment,

without regard to UBS PaineWebber's rights to sell the securities in accordance with this Agreement and applicable laws, rules and regulations. Client may obtain UBS PaineWebber's then current fees and charges by contacting Client's Financial Advisor or the local branch office.

#### Interest Charges

All amounts advanced and other balances due shall be charged interest in accordance with UBS PaineWebber's usual custom, which may include the compounding of interest, including any increases in rates which reflect adjustments in UBS PaineWebber's Base Loan Rate (as such term is defined in the Statement of Credit Practices) or other reference rate (i.e., LIBOR Rate or Prime Rate) referred to in the applicable Statement of Credit Practices and such other charges as UBS PaineWebber may make to cover UBS PaineWebber's facilities and extra services.

#### Impartial Lottery Allocation System; Call Features

When UBS PaineWebber holds on Client's behalf bonds or preferred stocks in UBS PaineWebber's (street) name or in bearer form which are callable in part, Client agrees to participate in the impartial lottery allocation system of the called securities in accordance with the provisions of the New York Stock Exchange, Inc. rules. Further, Client understands that when the call is favorable, no allocation will be made to any account in which UBS PaineWebber, its officers, or employees, have a beneficial interest until all other Clients' positions in such securities are satisfied on an impartial lottery basis. Client understands that UBS PaineWebber may not receive timely notice of calls and may be required to allocate called securities on an "as of" basis. In those cases, Clients agrees to participate in the lottery allocation system and to be bound by its results. For debt securities, call or other redemption features, in addition to those disclosed on the trade confirmation, may exist. Debt securities subject to call or redemption features, such as sinking funds, may be redeemed in whole or in part before maturity, or before the first scheduled call dates. The existence of sinking funds, or other special mandatory redemption features, may not be disclosed on a trade confirmation. It is Client's obligation to review all prospectuses and offering statements Client may receive, and to understand the risks of extraordinary calls or early redemptions, which may affect yield. Issuers may from time to time publish notices of offers to redeem debt securities within limited time, price and tender parameters. Client understands that UBS PaineWebber is not obligated to notify Client of such published calls, nor will UBS PaineWebber tender any securities on Client's behalf when Client has failed to request the tender in a timely manner.

#### Disability or Incompetency

This Agreement shall survive the death, dissolution, disability or incompetence of Client.

#### Unforeseeable Events / Force Majeur

UBS PaineWebber shall not be liable for losses caused directly or indirectly by government restrictions, exchange controls, exchange or market rulings, suspension of trading, act of war, strikes or other conditions beyond UBS PaineWebber's control, including but not limited to, extreme market volatility or trading volumes.

#### Successors and Assigns

This Agreement shall be binding upon Client and Client's personal representatives, heirs, estate, executors, administrators, committee and/or conservators, successors and assigns, and shall inure to the benefit of UBS PaineWebber and its successors and assigns and each subsequent holder of this Agreement. Client may not assign or transfer any of Client's rights or obligations under this Agreement without UBS PaineWebber's prior written consent. UBS PaineWebber may assign this Agreement or any of its rights and powers under this Agreement, and, in the event of such assignment, the assignee shall have the same rights and remedies as if originally named in this Agreement in UBS PaineWebber's place. From and after the date of any such assignment, UBS PaineWebber shall have no further liability to Client under the terms of this Agreement.

#### Sub-Brokers

UBS PaineWebber may employ sub-brokers and shall be responsible only for reasonable care in their selection. UBS PaineWebber may deal with market makers or members of any exchange known as specialists or known as odd lot dealers and in the execution of Client's orders they may act as sub-brokers for Client and may also buy or sell

the Property for themselves as dealers for their own account.

UBS PaineWebber may hold securities as a Securities Intermediary in accordance with industry custom and practice and employ one or more Securities Intermediaries, including Securities Intermediaries outside the United States, with respect to any and all Property held for Client.

#### Changes to Agreement

Upon written notice to Client, UBS PaineWebber may change this Agreement at any time and may cease to offer any or all services described in this Agreement. Any such change will become effective on the date of the notice unless the notice specifies a later date. However, Client will remain liable for any outstanding debits and/or charges in the Account. Client's continued acceptance of services under the Agreement will be deemed to constitute acceptance of such change. All other changes to this Agreement shall not be effective except by a writing signed by UBS PaineWebber.

#### TERMINATION OR CONVERSION

UBS PaineWebber may terminate the Agreement or convert the Account to a commission-based account for any reason, including inappropriate use of the Account (see "Client Acknowledgments") by notifying Client. Client may terminate this Agreement or convert the Account to a commission-based account for any reason by notifying UBS PaineWebber in writing. Client-requested termination or conversion will become effective when UBS PaineWebber receives such notice. Upon termination or conversion Client may be charged a Termination Fee (see "Asset-Based Fee").

Upon termination, Client may choose to liquidate or transfer securities held in the Account (including Eligible Mutual Fund Shares that were transferred into the Account). Liquidation is dependent upon market conditions at that time and, absent unusual circumstances, will generally be executed by the end of the next business day after Client's instructions have been received. Transfers, either to another UBS PaineWebber account or to another firm, or conversions may be subject to Transfer Fees as described in the "Other Fees and Charges" Section of this Agreement. If the Account is being converted to a commission-based account, Client will continue to receive RMA Services, unless Client notifies UBS PaineWebber otherwise and subject to UBS PaineWebber's approval. Certain provisions in this Agreement related to RMA Services will remain in effect in the case of a conversion. Provisions applicable to the separate RMA Account, including the RMA annual fee and other charges, are described in the Account Information booklet. If this Agreement is terminated or converted prior to the last day of a billing period, no refund of any pre-paid fees will be made for any time remaining in the billing period. In addition, in the case of termination, IRA Accounts will be charged an IRA termination fee. Transactions completed after the Account is terminated or converted will be charged commissions as in a regular transaction based account. Once the Account is converted, Client will also be charged separately for RMA Services. Termination or conversion will not affect either party's responsibilities under this Agreement for previously initiated transactions or for balances or fees due.

If the RMA Services are terminated, Client will promptly return any unused checks and Card(s). Failure to return such Card(s) and checks to UBS PaineWebber may result in a delay in complying with Client's instructions as to the disposition of Client's assets in the Account. Client will remain responsible for debits and charges whether arising before or after such termination. Client shall pay UBS PaineWebber and Card Issuer and the Check Provider promptly for amounts outstanding in Client's Account. Upon termination, Client authorizes UBS PaineWebber to redeem all of Client's money market fund shares. Client further agrees that UBS PaineWebber may withhold from the assets then in Client's Account any amounts that PaineWebber reasonably believes necessary to pay for any outstanding debts to UBS PaineWebber or Card Issuer and the Check Provider, or their respective affiliates or subsidiaries and to apply such assets first to pay UBS PaineWebber, and second to pay Card Issuer and the Check Provider.

#### Additional Documentation

Should any supplemental agreements be required as a result of Client's request for UBS PaineWebber to

approve additional services or features available from UBS PaineWebber, or be required for any other reason whatsoever, Client will execute UBS PaineWebber's form of such agreements, which shall thereupon supplement and, if applicable, become part of this Agreement and apply to the Account.

#### Waiver Not Implied

UBS PaineWebber's failure to insist at any time upon strict compliance with this Agreement or with any of its terms or any continued course of such conduct on UBS PaineWebber's part shall not constitute or be considered a waiver by UBS PaineWebber of any of its rights or the obligations of Client.

#### Binding Notice of Agreement

Client expressly agrees that UBS PaineWebber shall not be bound by any representation or agreement made by any of UBS PaineWebber's employees or agents which purports to affect or diminish UBS PaineWebber's rights under this Agreement.

#### Accuracy of Reports; Communications

Client shall carefully review all monthly or quarterly account statements and confirmations promptly upon receipt for accuracy and consistency with Client's instructions and investment objectives. Client shall immediately notify the Branch Office Manager of the Branch Office where the Account is maintained if such documents are not received in a timely manner or are inaccurate. Confirmation of orders and monthly or quarterly statements of the Account shall be conclusive if not objected to in writing addressed to the Branch Office Manager of the Branch Office where the Account is maintained within ten days after mailing by UBS PaineWebber to Client. Client acknowledges that UBS PaineWebber may rely upon Client's failure to object in a timely manner to transactions or entries and shall not be responsible for losses which could have been avoided had Client given prompt notice as provided above. All such documents shall thereafter be deemed accurate and in accordance with Client's instructions and investment objectives. Notwithstanding the foregoing, if Client is mistakenly credited with funds or securities, Client shall promptly return such funds or securities upon Client's discovery of the error or upon a request by UBS PaineWebber. UBS PaineWebber shall not be responsible for any transactions not reflected on Client's monthly or quarterly statement unless an objection is made in writing to the Branch Office Manager in accordance with the above requirements. Client shall notify UBS PaineWebber in writing if Client does not receive a confirmation within ten days from the date of a transaction.

Client acknowledges and consents that UBS PaineWebber may, from time to time, monitor and/or electronically record conversations between Client and UBS PaineWebber's employees or agents for the purpose of quality assurance, employee training, and the mutual protection of Client and UBS PaineWebber. Any such recordings may be offered by UBS PaineWebber as evidence in any arbitration or other proceeding relating to this Agreement. Client acknowledges that the price of any security shown on a confirmation which has been executed on more than one exchange, or in more than one market, or had multiple executions, may be the average price of the security for those executions and agrees to the use of such average price trades on confirmations issued by UBS PaineWebber. Actual prices, quantities of each execution and market of execution shall be provided upon written request.

#### Written Notice

Communications may be sent to Client at Client's address or at such other address as Client gives to UBS PaineWebber in writing. All communications so sent, whether by mail, telegraph, facsimile, electronic mail, messenger or otherwise will be considered to have been given to Client personally upon such sending, whether or not Client actually received them.

#### Entire Agreement

The provisions of this Agreement constitute, and are intended to constitute, the entire agreement between Client and UBS PaineWebber with respect to the Account and supercede any prior agreements relating thereto. Other than as expressly provided in this Agreement, UBS PaineWebber does not undertake any obligations and incurs no duties or obligations other than those set forth in this Agreement, statute or government regulation.

#### Applicable Law

This Agreement, its enforcement and the relationship between Client and UBS PaineWebber shall be governed by the laws of the State of New York, including the arbitration provisions contained herein, without giving effect to the choice of law or conflict of laws provisions thereof, and shall be binding upon Client, Client's authorized agents, personal representatives, heirs, successors and assigns, provided that there is no inconsistency with the federal securities laws, and provided further in connection with any Card issued, the Cardholder Agreement shall be governed by federal laws and the law designated by the Card Issuer in the Cardholder Agreement. In the event that the arbitration clause contained herein is found to be unenforceable, Client and UBS PaineWebber agree that they will, for purposes of determining all matters with regard to the Agreement, submit to the exclusive jurisdiction of the courts of the State of New York and the federal courts sitting in the Southern District of New York. Client also consents to service of process by certified mail to the Account's address of record and waives any forum non-conveniens and venue claims. Client and UBS PaineWebber agree that if any term, covenant, condition, or provision of this Agreement is held to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect, and shall in no way be impaired or invalidated and shall be construed (to the maximum extent possible) in such a way as to give effect to the intent of the invalid, void, or unenforceable provision in question.

#### ARBITRATION

- Arbitration is final and binding on the parties.
- The parties are waiving their right to seek remedies in court, including the right to jury trial.
- Pre-arbitration discovery is generally more limited than and different from court proceedings.
- The arbitrator's award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited.
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- Client agrees, and by carrying an account for Client UBS PaineWebber agrees that, any and all controversies which may arise between UBS PaineWebber, any of UBS PaineWebber's employees or agents and Client concerning any account, transaction, dispute or the construction, performance or breach of this Agreement or any other agreement, whether entered into prior, on or subsequent to the date hereof, shall be determined by arbitration. Any arbitration under this Agreement shall be held under and pursuant to and be governed by the Federal Arbitration Act, and shall be conducted before an arbitration panel convened by the New York Stock Exchange, Inc. or the National Association of Securities Dealers, Inc. Client may also select any other national securities exchange's arbitration forum in which UBS PaineWebber is legally required to arbitrate the controversy with Client, including, where applicable, the Municipal Securities Rulemaking Board. Such arbitration shall be governed by the rules of the organization convening the panel. Client may elect in the first instance the arbitration forum, but if Client fails to make such election by certified mail, return receipt requested, or telegram addressed to UBS PaineWebber at its main office, and to the attention of the Legal Department, before the expiration of five (5) days after receipt of a written request from UBS PaineWebber to make such election then UBS PaineWebber may make such election. The award of the arbitrators, or of the majority of them, shall be final, and judgment on the award rendered may be entered in any court of competent jurisdiction.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) Client is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

Client expressly agrees that service of process in any action shall be sufficient if served by certified mail,

return receipt requested, at Client's last address known to UBS PaineWebber. Client expressly waives any defense to service of process as set forth above.

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Item #CL-IO-INDIV Revised 11/02

Legal Treatment  
Handled by  
WILMIR CUTLER PICKERING  
HALE AND DORR LLP



**EXHIBIT III**  
**TRADING DEMOGRAPHICS**

	Accounts	% Total
<b>Total*:</b>	31,377	100%

	Accounts	% Total
<b>&lt; \$50 or &gt; 4 Day Trades</b>	9,480	30%
<b>&lt; \$40 or &gt; 4 Day Trades</b>	7,654	24%
<b>&lt; \$30 or &gt; 4 Day Trades</b>	5,584	18%
<b>&lt; \$20 or &gt; 4 Day Trades</b>	3,447	11%
<b>&lt; \$10 or &gt; 4 Day Trades</b>	1,559	5%

Day Trades: (# of Roundtrips)	Accounts	% Total
<b>&gt; 4</b>	676	2.2%
<b>&gt; 10</b>	300	1.0%
<b>&gt; 20</b>	159	0.5%
<b>Distribution of Day Trades</b>		
<b>&gt; 100</b>	21	0.1%
<b>50 - 99</b>	34	0.1%
<b>25 - 49</b>	82	0.3%
<b>10 - 24</b>	198	0.6%
<b>4 - 9</b>	476	1.5%
<b>1 - 3</b>	2,031	6.5%
<b>Total</b>	<b>2,842</b>	<b>9.1%</b>

Revenue Per Trade	Accounts	% Total
<b>&lt; \$50</b>	9,338	30%
<b>&lt; \$40</b>	7,488	24%
<b>&lt; \$30</b>	5,379	17%
<b>&lt; \$20</b>	3,177	10%
<b>&lt; \$10</b>	1,119	4%

**Revenue Per Trade by Number of Trades Completed**

Number of Trades	% of Accounts	Avg. Rev. Per Trade		% of Trades	% of Assets
		Per Account	Total & By # of Trades **		
<b>Total</b>		\$ 222	\$ 75	100%	100%
<b>0</b>	9%	--	--	0%	5%
<b>1 - 5</b>	17%	\$ 677	\$ 534	1%	12%
<b>5 - 9</b>	16%	\$ 238	\$ 231	4%	13%
<b>10 - 19</b>	21%	\$ 143	\$ 140	11%	20%
<b>20 - 49</b>	23%	\$ 84	\$ 81	26%	27%
<b>50 - 99</b>	9%	\$ 51	\$ 49	21%	12%
<b>100 - 299</b>	4%	\$ 30	\$ 28	25%	8%
<b>300 +</b>	1%	\$ 20	\$ 18	12%	3%

\* Accounts opened thru July 31, 2000. Fees are estimated based on August eligible assets times the fee, from January 1<sup>st</sup> or the InsightOne start date through September 31<sup>st</sup>. Trades completed are from January 1<sup>st</sup> thru August 31<sup>st</sup>. Lead relationship accounts with < \$40M and linked accounts with < \$10M are excluded because over time, they will be terminated from the program.

\*\* Sum of estimated fees paid divided by number of trades completed.



# InsightOne Trading and Investment Guideline Changes

Guideline	Current Policy	New Policy
Low Trading Fee 2% or less	@ 12 months (4 qtrs.) Client sent low trading letter if completed 4 or fewer trades (copy to BOM)	@ 12 months (4 qtrs.) Client sent low trading letter if completed 3 or fewer trades (copy to BOM)
3	@ 21 months (7 qtrs.) Client sent termination letter if completed 2 or fewer trades (copy to BOM)  @ 22 months Account terminated by ICS – regardless of recent trading activity	→ 12-14 months @ 18 months (6 qtrs.) Client sent termination letter if completed 3 or fewer trades (copy to BOM)  @ 19 months Account terminated by ICS – regardless of recent trading activity
4 Low Trading Fee greater than 2%	@ 6 months (2 qtrs.) FA notified account completed less than 10 trades  @ 9 months (3 qtrs.) Fee automatically reduced to 2% by ICS if trades over last two quarters < 10. Account then subject to regular policy above.	@ 6 months (2 qtrs.) Account completed less than 10 trades are listed on Trading Guideline Report.  @ 9 months (3 qtrs.) Fee automatically to 2% lowered by ICS if trades over last two quarters < 10. Account now subject to policy above.
2 High Cash / Money Market Fund (MMF) or Utah Bank Deposits Concentration	@ 12 months (4 qtrs.) Client sent notification letter if cash concentration $\geq 40\%$ (copy to BOM)  @ 21 months (7 qtrs.) Client sent termination letter if cash concentration $\geq 40\%$ (copy to BOM)  @ 22 months Account terminated by ICS – regardless of cash position	@ 12 months (4 qtrs.) Client sent notification letter if concentration $> 40\%$ (copy to BOM)  @ 18 months (6 qtrs.) Client sent termination letter if concentration $> 40\%$ (copy to BOM)  @ 19 months Account terminated by ICS – regardless of cash position
Excessive Trading	@ 12 months (4 qtrs.) FA notified account revenue per trade is $< \$12$  @ 15 months (5 qtrs.) Client sent termination letter if not corrected by branch  @ 16 months Account terminated by ICS	ICS is shortening timeframe on employee accounts to 6 months (2 qtrs.) before BOM is notified of excessive trading. Otherwise no change in Policy.

→ ICS priority  
If you have cash concentration & low v. then you'll get Cash Concent. letter

Note: We would prefer to collapse the two letters into one and avoid the hierarchy problem of one letter versus another.

Relationship Considerations for Trading Guidelines	Current policy considers each IO account for application of trading guidelines. However, IO Accounts can be "related" for pricing purposes.	We will permit an amendment to agreement in which "related accounts", as defined, will attest that accounts should be treated as a relationship for billing <u>and</u> trading guidelines. ICS to communicate and administer.
		<p><u>Related Accounts Definition</u> – all accounts in a household.</p> <p>Head of Household and immediate family including revocable trusts other than accounts held in a fiduciary capacity. E.G., UGMA/UTMA accounts or irrevocable trusts.</p>
Client Requested Exceptions to Termination for Reasons other than Excessive Trading	<p>There has been no explicit policy regarding exception requests for termination of IO accounts.</p> <p>Exception requests for termination because of excessive trading are addressed by the BOM and the RCO.</p>	<p>Exceptions requests received from branches for Low Trading or High Cash guidelines will not be granted. The Home Office will consider written requests received directly from clients that demonstrate an understanding of the InsightOne Account <u>and</u> a statement that indicates brokerage activity will increase. If granted the exception will provide 3 month trial period (from termination date). The account must complete at least 3 trades in that time period. Accounts will be tracked on central log. This procedure will not be advertised.</p>

**Additional Policies**

1. Cooling-Off Period. If account terminates from InsightOne for any of these violations – it cannot re-enroll in InsightOne for 12 months from the termination date. ICS will provide listing of terminated accounts to Compliance for surveillance (SS#, etc.).
2. Surveillance. Compliance will provide surveillance looking for potentially abusive situations. Examples of abusive situations will include (but not be limited to) the following:
  - Accounts with >70% cash for 6 months
  - FAs with a large % of accounts in violation of guidelines
  - IO accounts that trade just prior to policy deadlines

Secondary SS#





UBS PaineWebber Inc.  
1200 Harbor Boulevard  
Weehawken, NJ 07087-6791

Redacted

Redacted

Redacted

8/22/2007

Can price #'s be updated? It will also help us to see which problems are getting worse, fastest. I'm sure "long term" and "cash" will surface to be top. Ben, let's you, Bob H., Charlie W. and me meet.

Thanks

Redacted



To: Branch Manager/Administration Manager

From: [Redacted]

Date: 9/2/2005

Re: PaineWebber InsightOne Accounts with Low Trading Activity

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The ability to trade in eligible securities on a fee basis is only one feature of PaineWebber InsightOne, which offers the client the opportunity to access a wide range of advice and other services for one inclusive fee. Nevertheless, clients who trade infrequently and make little use of the other features of PW InsightOne, might be better suited to a traditional commission-based program.

The PW InsightOne accounts listed below have been identified as having less than 4 trades after 9 months in the PW InsightOne program. I thought it helpful to bring this to your attention so that you may reassess the clients' investment needs. Please review this listing with the appropriate FAs. If the client's future investment activity is expected to continue at this level, you should consider reducing the fee (down to .30% for fixed income accounts or .75% for balanced/equity accounts) or terminating the account from PW InsightOne.

Please call with any concerns or questions you may have.

<u>Account#</u>	<u>Account Name</u>	<u>FA</u>	<u>Start Date</u>	<u>Fee Rate</u>	<u>#Trades</u>	<u>Assets</u>
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Earlier this month we distributed a list of the top 1000 InsightOne accounts based on 2003 revenue in order to identify accounts in which the InsightOne fee was significantly greater than estimated full rate commissions and take corrective action. I would like to offer some more specific guidance to promote greater consistency in the review and corrective actions you may take.

### Scope

Your review should focus on accounts that meet the following criteria -

InsightOne fee is 115 % to 200% or more of Commissions Waived – Corrective action can be taken on these accounts in order to remain in InsightOne.

InsightOne fee is more than 200% of Commissions Waived – Generally, InsightOne fees should not be materially greater than full rate commissions. The magnitude of the required adjustment is too significant in the short term. Efforts should focus on converting the account from InsightOne before April billing.

### Corrective Action

For the accounts with a variance of 115% to 200% or more of Commissions Waived, we must reduce the InsightOne fee and / or waiving April quarterly billing. In addition we may need to credit some of the 1Q 2004 fee to bring the account on par with full rate commissions.

There may be certain accounts that are not suitable for the InsightOne program based on the clients recent and intended investing levels and an adjustment in fees will not offer a cure. These accounts should be converted to RMA.

This corrective action may be applied to accounts with excess fees up to 300% of commissions waived. The fee reduction and credits applied will be more drastic if the account is to remain in InsightOne.

### Remediation

For accounts with InsightOne fees 300% or more of Commissions Waived, the 1Q 2004 InsightOne fee will be rebated to the extent it exceeded commissions waived.

### Time Frame

The review should be completed by March 31, 2004 including the proposed course of action on accounts with significant differences (300% or more). The objective is to ensure that corrective action is in place before the April quarterly billing process.

I recognize the timeline is tight, however, in light of evolving guidance it is important that

we take proactive measures to ensure the client is in an appropriate account based on their current needs. We are currently considering expanding the review to additional accounts and will advise you accordingly.

In closing, I would like to emphasize that for a significant majority of accounts the InsightOne program offers our clients an economically advantaged platform vs. a commission based account. It is important that our FAs understand that we are committed to the long term success of this program and the current review process is a necessary step in order to adjust our trading and investment guidelines.

If you have any questions or need my assistance, please contact me at [Redacted] or via e-mail at [Redacted]



### Progress to date on new Trading and Investment Guidelines

- Compliance Bulletin released 2/13/04
- Revised InsightOne Client Agreement and Application
- Distribute top 1000 InsightOne accounts ( based on revenue ) to DMs by 2/20/04. We will coordinate the data with Compliance to avoid duplicate efforts. As requested by the DMs, product area will work with RDs and RCOs to address problematic situations. .
- Introduce new Trading and Investment Guidelines and related implementation timeline to RDs on Monday, Feb 23, call. DMs are aware of the new guidelines, but this will begin our communication program.
- Business requirements for FA certification and BOM attestation delivered to ISD. ISD has started scoping and still committed to 3/31/04 delivery date. (Mention the BOM acknowledgement?)
- Draft of business requirements ( based on new trading and investment guidelines ) provided to ISD for
  - Module to calculate suitability at account opening
  - System for periodic surveillance
  - Enhance FA turnover screen
- Educational campaign for FAs to be developed in March and rolled out in April

### Issues to discuss at meeting

Language and presentation of all InsightOne accounts on BI with trade count data for 11 and 20 months ending 2/29/04. ISD has not committed to delivery in March but it would be a helpful proactive tool for FAs.

Language and presentation of InsightOne accounts that did not meet the \$12 revenue per trade based on nine months of activity as of Dec. 31, 2003. Intended delivery through BI.



To: FAs

[Redacted]

CC: DM, RDs, RCOs, BOMs

Subject: InsightOne Accounts – Category II

Please be advised that a new report will be posted tonight on *Business Intelligence*, at the Financial Advisor level, listing potential Category II accounts for the twelve months ended March 31, 2004. (As a reminder, Category II accounts are defined as accounts where the InsightOne fee is  $\geq 120\%$  and  $< 200\%$  of estimated commissions waived.) The report is available under Product-Specific Reports/InsightOne Reports/InsightOne Trading and Investment Guideline Review Report - Category II.

**We encourage Financial Advisors to review this list of potential Category II accounts and consider corrective action, including reducing fees and relating accounts as part of their suitability review.** Please note that the accounts reflected on this preliminary report are likely to appear on the final Category II report in July 2004.

The final list of Category II accounts will be determined in July 2004, based upon the 12-month period ending June 30, 2004. Clients with accounts classified as Category II will receive a letter in August explaining that they paid more in fees than they would have paid in commissions and that the account will be reviewed again in six months.

**Please Note:** The list of potential Category II accounts will be modified next week to add accounts being removed from Category I as a result of either a successful relationship for policy or additional mutual fund credits.

For additional assistance, please contact the Service Group at [Redacted], Menu Option #3, Sub-Menu Option #9.



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## COMPLIANCE BULLETIN 04-01

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**Date:** February 12, 2004  
**Subject:** **InsightOne Program**  
**Replaces No.** 99-46 and 01-03  
**Supplements No.** N/A

### Summary

This Compliance Bulletin sets forth requirements regarding the InsightOne program, including eligibility requirements, suitability considerations, and supervisory procedures.

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### I. Introduction

InsightOne is a non-discretionary fee-based account program that permits eligible clients to obtain brokerage services, most significantly trade execution, by paying an annual fee instead of commissions. Under the right circumstances, such as where a client engages in at least a moderate level of trading, InsightOne aligns the client's interests with those of the Financial Advisor and the Firm.

**InsightOne is not appropriate, however, if it reasonably can be expected to result in a materially greater cost to the client than a commission-based account.**

InsightOne is not an advisory program. As with other brokerage accounts, such as RMA accounts, advice given to clients is incidental to the brokerage services. Accordingly, in InsightOne, Financial Advisors are not paid for their advice. Clients seeking an advisory program should consider managed account programs offered through Investment Consulting Services.

### II. Client Eligibility Criteria

An account must have at least \$50,000 in eligible assets to be considered for InsightOne, and the suitability considerations set forth in Section III must also be satisfied. Exceptions to the minimum asset requirement may be granted by the InsightOne Product Group if at least one InsightOne account has \$50,000 in eligible assets and one or more smaller accounts are related for billing purposes. As described in Section IV, if the Firm removes an account from InsightOne, the account will be ineligible for re-enrollment in InsightOne for twelve months from the date of termination.

### III. Client Suitability Considerations

Before recommending InsightOne, the Financial Advisor must undertake a suitability analysis to determine whether InsightOne is appropriate for the client. Specifically, the Financial Advisor must:

- Obtain information about the client's financial status, investment objectives, trading history, anticipated trading activity for the next year, portfolio size, nature

of the securities held, and account diversification, as well as other relevant information, such as client's cost structure preference and costs previously incurred by the client in a commission-based account.

- Disclose all material components of InsightOne to the client, including
  - the fee structure;
  - the services offered;
  - that the Financial Advisor cannot exercise discretion in an InsightOne account;
  - that certain assets are ineligible to be charged the InsightOne fee and therefore will be subject to normal commission charges if traded in the account; and
  - that, depending on circumstances such as the level of trading and the types of investments in the account, InsightOne may cost more than a transaction-based commission structure.
- Explain to the client the alternative ways to pay for brokerage services, including the services and fee structures available for commission-based accounts. Financial Advisors should inform the client that, except for the online trading feature offered by InsightOne, RMA and InsightOne accounts offer the same services.
- Using the information provided by the client, compare expected commissions and other fees in a commission-based account (including any commissions discounts the Financial Advisor anticipates the client would have been offered) with expected InsightOne fees. Determine whether reasonable grounds exist for concluding that InsightOne is appropriate for the client, taking into consideration the client's historic and anticipated trading levels, the projected costs to the client, the projected costs attendant to other alternatives, and the client's preference.

In making the determination, Financial Advisors must be guided by the overriding consideration that InsightOne is not appropriate if it reasonably can be expected to result in a materially greater cost to the client than a commission-based account.

As with any type of account, Financial Advisors should periodically assess whether InsightOne continues to be suitable for their clients in the program.

#### **IV. Supervisory Procedures**

Prior to approving an InsightOne account application, the Branch Office Manager should take steps to reasonably conclude that the InsightOne program is appropriate for the client by reviewing the information contained on the application in view of the factors set forth in Section III and, where appropriate, discussing the matter with the Financial Advisor.

The Firm will take reasonable steps to ensure that only those clients for whom InsightOne provides an appropriate cost structure remain in the program. InsightOne clients will periodically receive a written reminder of the different payment programs (including RMA) that the Firm offers for brokerage services. In addition, the Firm will regularly identify each InsightOne account in which the fees paid over time were materially more than

what the client would have paid in a commission account. Those clients will receive a targeted disclosure letter that, depending on the magnitude of the difference, will advise the client either that:

- the Firm's records reflect that the client would have paid materially less for the same services in a commission-based account; the client should explore alternatives to InsightOne with his/her Financial Advisor; the account will be reviewed again in a specified period of time; and the account will be removed from InsightOne if the difference remains substantial; or
- the account is being removed immediately from InsightOne.

In the event the Firm removes an account from the InsightOne program, the client may not re-enroll in InsightOne for at least twelve months after the date of removal.

\* \* \* \*

Please contact the Compliance Department Help Desk at Redacted with any questions.



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## New Trading and Investment Guidelines

### Facts to Consider

- ◆ Why change the trading guidelines now? The NASD has made it clear that they expect Members to review suitability based upon an economic comparison. Additionally, the NASD has commenced examinations of the major broker/dealers which includes gathering economic data for a comparison of fees paid versus commissions waived. We need to adjust our guidelines now to be proactive on behalf of our clients.
- ◆ The new trading and investment guidelines will compare fees paid over a preceding 12-month period (4/1/03 – 3/31/04) to estimated retail commissions waived.
- ◆ Based on the new guidelines – approximately 90% of InsightOne accounts will not be affected.
- ◆ We will be introducing the new guidelines beginning in April.

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## What is the Plan?

- ◆ The April mailing of Low Trading/High Cash Letters will NOT be sent.
- ◆ Under the guideline of fees paid vs. commissions waived, there will be three categories of accounts:
  - Category I. All accounts (opened at least one year as of 3/31/04) that paid annual InsightOne fees of 200% or more of retail commissions waived.
  - Category II. All accounts (opened at least one year) that paid annual IO fees > 120% but < 200% of retail commissions waived.
  - Category III. Accounts (opened for at least one year) as of June 30 that have fees paid 120% or less of commissions waived.

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## What Will Happen in Each Category?

- ◆ *Category 1.* These accounts (approximately 7600) will be removed from the April billing cycle, but they will remain in InsightOne until July 1 (allowing clients to trade free of charge).
  - About one week from today (April 19), affected FAs will receive a package of information that includes - a list of their accounts that paid fees 200% or more (the list will show fees paid, estimated commissions waived, and the percentage of fees paid over commissions waived), FAQs, Talking Points, and a copy of the letter to be sent to clients.
  - A letter to clients will be sent at the end of April and explain the following:
    - (1) fees paid substantially exceeded commissions waived (during a 12-month period) and if clients want specific information they can call their FA;
    - (2) fees will not be charged for the 2nd quarter; and
    - (3) accounts will be converted to RMA in July (the RMA fee will be waived for one year).



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## What Will Happen in Each Category?

- ◆ *Category II.* A letter will be sent to clients in this Category during July (for 12-month period ending 6/30/04). The letter will explain that they paid materially more in fees than they would have in commissions and they will be reviewed again in six months. If the situation remains, the account will be converted to RMA in January 2005.
  - During April, FAs will receive a list of their accounts in Category II (as of 3/31/04), (> 120% but < 200%) with a copy of the client letter, so they can consider an appropriate course of conduct that may be taken before the letters are sent in July. The firm will provide guidance concerning action that may be taken.

ESQ

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## What Will Happen in Each Category?

- ◆ *Category III.* All clients (opened at least one year) in this Category (approximately 90% of clients) will be scheduled for their next annual review in July 2005.



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## What Can FAs Do Proactively?

- ◆ *Relating Accounts.* Beginning in the 2nd quarter, certain household accounts that are related for pricing purposes may also be related for trading and investment guideline purposes. The household definition: Spouses – including their individual and joint accounts (including IRAs) and any revocable personal trusts. Fiduciary accounts (e.g., UGMA) may not be related for this purpose. We are developing procedures to facilitate this process.
- ◆ For Category II accounts, once the information is available, confer with clients about an appropriate course of conduct (e.g. lowering the fee) in advance of the July mailing.



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## Is the Firm Working on a Non-discretionary Advisory Program?

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- ◆ Yes, we are working diligently to design and develop a program of that type. We will provide information as it develops, and we hope to roll out the program this summer.



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# PaineWebber InsightOne

## Questions & Answers

### Eligibility

**How do I determine whether PaineWebber InsightOne is suitable for my client?**

PaineWebber InsightOne is appropriate for clients focused on a long-term investment strategy and likely to use a full range of brokerage services. PaineWebber InsightOne must be a non-discretionary account and is designed for investors who want to stay involved in all investment decisions.

Investors who anticipate little or no trading, do not seek or accept periodic advice from their FA, maintain consistently high levels of cash or money market funds or no-load funds, who trade excessively on a short-term basis or invest primarily in no-load mutual funds may be inappropriate for PW InsightOne.

Investment suitability for PW InsightOne is the same as for commission-based accounts with regard to the client's investment objectives, time horizon and experience; financial status and resources; employment status; age; dependents; knowledge of securities and the securities markets; and understanding of – and willingness to accept – risk.

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**A prospective PW InsightOne client trades frequently. What is the program's definition of an active trader?**

PaineWebber InsightOne is designed for investment purposes and is not intended for day trading or other excessive trading activity. Other pricing alternatives should be used in such circumstances. As always, individual client circumstances and portfolio characteristics must be considered to determine acceptable levels of trading.

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**Are clients who seldom trade suitable for the program?**

Investors who anticipate very little trading and do not seek or accept periodic advice from their FA should not be placed into the PW InsightOne program. PW InsightOne accounts must be reviewed at least annually to determine continued suitability.

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**A prospective PW InsightOne client holds cash concentrations over extended periods. What do we consider high concentrations?**

A cash concentration of 50% or more over a six-month period may indicate that the client is not suitable.

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**What accounts are eligible?**

All non-discretionary brokerage account types are eligible except COD/DVP accounts, commodities/commodity futures accounts, broker/dealer (BD) accounts, or accounts participating in another PaineWebber fee-based program (managed by a third party for compensation). Accounts participating in another fee-based program must first be terminated or a new account must be used.

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**The client already has an InsightOne account open with greater than \$50m in eligible assets and wants to open another account with less than \$50m in eligible assets. Can he/she?**

Yes. The minimum for additional related accounts is \$10,000 in eligible assets.

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**Are there any special FA registration qualifications for PaineWebber InsightOne?**

Since this is not an advisory account, registration requirements are the same as for regular commission-based brokerage accounts. Investment Advisor registration is not required to open and service a PaineWebber InsightOne Account.





**InsightOne**

**Alternative Implementation Plans for**

**New Trading and Investment Guidelines**

**March 2004**

UBS Financial Services Inc.

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## Changes to the InsightOne Trading and Investment Guidelines

Effective July 1, 2004 the InsightOne trading and investment guidelines will be based on a comparison of the InsightOne fees. estimated full rate commissions to identify accounts that are not appropriate for the program.

A sample review based on the new guidelines indicates approximately 24% of the InsightOne asset base, may be substantially outside the new guidelines. Translation: twenty four percent have fees paid that are at least 20% of commissions waived.

We recommend an alternative plan that will (i) be less disruptive and destructive to the client experience, (ii) demonstrate to the FA that they are in the middle of this issue, (iii) and further demonstrate the firm is aggressively moving forward on unsuitable accounts.



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MEMORANDUM

To:

CC:

From:

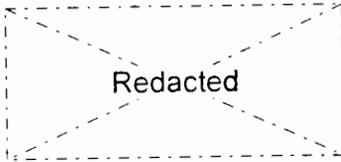
Date:

9/10/03

Re:

InsightOne Low Trading Guidelines

FILE COPY



We were advised on 9/2/03 via email from [Redacted] InsightOne Program Manager, that three of our largest InsightOne accounts would be either receiving letters of advice on trading activity and/or termination letters from the InsightOne program due to "low trading activity".

The issue at hand is why we charge a fee? What are we providing for this fee? Is the client content with the relationship and service being provided and wants to continue with this structure? Trading activity is a very small part of the picture. The firm has promoted fee-based business, even to the point of paying a premium for fee-based business.

Nowhere in the InsightOne documents does it say anything about the level of trading necessary to maintain a fee-based account. We are Financial Advisors not traders. We get paid for our financial advice and level of high-quality service we provide and we want it that way. If we, the Financial Advisors and the client, together determine that it is appropriate to continue to hold securities because there is merit in holding them, we should be paid for that advice.

We are very disturbed by this "trading activity" philosophy emanating from Weehawken and by their arbitrary actions to change something we have worked hard to accomplish, i.e. more fee-based business based on a relationship of advice and trust. We urge you to reevaluate this philosophy and set InsightOne standards based on advice, service, client satisfaction and not on "activity" alone.

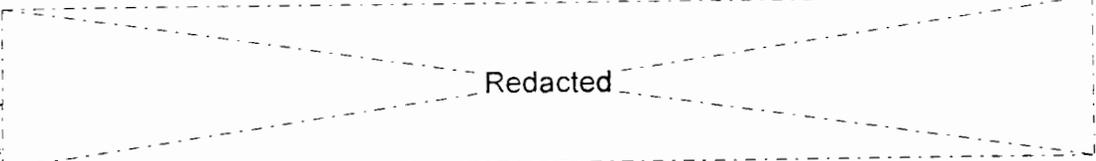
Regarding "corrective actions" the InsightOne program manager determined must be taken, note the following about the clients affected by this policy and our service relationships:

[Redacted] Client has \$6.4million with UBS. Is a former Investment Banker with Kidder, Peabody. He does some of his own research but depends on our research and sources of information about investments. Daily we provide him with an update on his portfolio. We often communicate with his CPA. He is very comfortable with the annual InsightOne fee of .50%. Do not convert him to a commission-based account.

[Redacted] Client has \$10 million under management with UBS GAM (muni portfolio-\$3.8 million in Tactical Allocation Fund, [Redacted], \$12 million line of credit, in addition to the above equity account. We are in communication 2-3 times per week with service issues and investment updates. The client is comfortable with the annual InsightOne fee arrangement of .48%. Do not convert him to a commission-based account.

[Redacted] We have provided a high-degree of service to the family of [Redacted] including family meetings, including her estate attorney and CPA twice annually. There are 3 lines of credit collateralized by her securities account. We have daily conversations and service requirements with her various accounts. Her account was transferred from Bank of [Redacted] where she was being charged an annual trust fee for minimal service provided. She is content with the fee arrangement. Do not convert her account to a commission-based account.

Enc: Sample Low Trading Termination Letter, InfoNet InsightOne Pricing Guidelines, Business Intelligence Trading Guideline Report





# PaineWebber, Inc.

## Interoffice Memo

Date: February 23, 2000

To:

Redacted

From:

Re: Updated InsightOne Quarterly Low Velocity Report

Cc:

Redacted

- 
- **Purpose:** Creation of a quarterly surveillance report that mimics the current PAA monthly exception report in order to identify InsightOne accounts that may have a low number of trades relative to the InsightOne fees charged.

*Note: Unless otherwise notified by Compliance, Legal, or the ICS Department, this report should be suppressed from being delivered to branches.*

- **Significant Differences between PAA monthly report versus InsightOne Spec:**
  1. **Report Cycle:** PAA is a monthly report; the InsightOne report is quarterly; adjust report to read "quarterly report."
  2. **Exception Report Criteria:**

Example for PAA is: Commission ROA > 6% of Eligible Assets

**For the InsightOne report: flag any InsightOne account:**

1. Open at least six months from its initial start date;
2. In which "commissions waived at a 40% discount rate" (that is, the total commission amount that would have been charged had the transactions been effected in a commission-based account at a 40% discount) during the preceding six-month period are 50% or less of total InsightOne fees charged during the same six-month period, excluding 12b-1 fees, cancelled trades, cancelled commissions, systematic withdrawals, and dividend reinvestments. Exclude CSC Division accounts.

**Example:** Where the actual aggregate fee charged to the InsightOne account during the preceding six month period was \$750.00 and total commissions waived at 40% discount during the same period = \$370.00 (less than 50% [\$375.00] of the aggregate InsightOne fee), the account would appear on the report.

3. Under "PAA Profile" information:"

- adjust "PAA Start Date" to state "Original IO Start Date" on IO report;
- adjust "PAA Year End Date" to state "IO Current Year End Date" on IO report;
- remove "month end assets" and "initial # of maximum number of trades" from IO report;

4. Under "Account Activity" information:"

- remove "total in/out" criteria (for both current and annualized columns) from IO report;
- remove "current # of max. trades" criteria from IO report;
- remove "eligible trades remaining" from IO report;
- add "ineligible trades completed" on IO report;
- adjust "full commission waived" on PAA report to be "eligible commission waived at 40% discount" on IO report" (note, this is for eligible trades only);
- adjust "full commission ROA" on PAA report to be "eligible commission ROA at 40% discount" (note, this is for eligible trades only);
- remove "supplemental fees paid" and "initial & quarterly fees" on PAA report;
- adjust "discount vs. full commissions" on PAA report to be "discount vs. full commission less 40% discount."
- add "Six Month IO Fee" on IO report;
- adjust "Total YTD PAA fees" to be "Total YTD IO fees" on IO report;

▪ # of Copies Specification:

Initially, Compliance and ICS should both receive two hard copies of the report. As noted above, the report should not be sent to branches until so determined by Compliance and/or ICS.

- Date of First Report: The first report should be generated by April 1<sup>st</sup>, 2000. (The report will only capture accounts opened at least six months from its initial start date; InsightOne began its pilot program in early September of 1999; accounts opened after October 1<sup>st</sup> will not appear on April's report.) Additional reports will be generated every quarter, thereafter.
- IO Report Layout Information (See Attached Exhibit A)
- PAA Report Layout Information (See Attached Exhibit B)