



UBS Financial Services Inc.

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Client Relations

www.ubs.com

July 29, 2009

Herbert K. Mallard
P.O. Box 2438
Palm Beach, FL 33480-2438

RE: Account Numbers FD-07733 (formerly TF-06848 and FD-05553),
5F-82086 and 5V-60843

Dear Mr. Mallard:

This is in response to your June 29, 2009 correspondence addressed to Chairman Kaspar Villiger, UBS AG, which has been forwarded to my attention for review.

Thank you for taking the time to bring your concerns to our attention. As a service organization, it is critical that we understand the needs and concerns of our clients; they are the cornerstone of our future success.

I understand that you expressed some concerns regarding the location of your Financial Advisor, Melissa Smith. Please be advised that Ms. Smith is headquartered in the Palm Beach office, however, she occasionally worked out of the Palm Beach Gardens office. Please be advised that these are both full-service offices that are fully staffed with Operational and support staff for our Financial Advisors. As a service organization, the relationships we build and the quality of service we provide to our clients relate directly to our success and reputation, on both a company and individual basis. UBS Financial Services Inc. (UBS) is committed to providing superior quality service.

You also requested an explanation for the disbursement statement that you received dated November 13, 2008. This was sent to you as confirmation of the transfer of your account from the Palm Beach office to the Palm Beach Gardens office. Please be advised that as a result of this transfer, your old account number FD-05553 was changed to account number TF-06848. Account number TF-06848 was converted back to our Palm Beach office in May 2009, which resulted in a change to your current account FD-07733. We regret any confusion this may have caused.

Please also be assured that your accounts were never transferred to Switzerland. Account number 5F-82086 is your fixed credit line and 5V-60843 is your variable credit line account, which are both also held in our Palm Beach office.

Our records show that the November 10, 2008 Disbursement wire referenced in your letter was issued as a result of a margin call to cover debit in your account number 5F-82086 and subsequent sale of securities in your account in November 2008. Our review of this situation indicates the following facts: You executed a third-party guaranty on loan account 5F-82086, securing that loan with the securities held in your securities account TF-06848. We always desire to provide as much notice as possible of calls to allow clients to satisfy the call before any liquidation is undertaken. However, because securities prices

EXHIBIT Y



UBS Financial Services Inc.

continually change, which can cause margin calls to increase with little notice, you agreed when you entered into the guaranty arrangement that UBS Bank USA has the right to liquidate any security or other asset in your account to satisfy a debit. This may be done without demand for margin or additional margin or any other notice to you prior to sale. Based on the preceding facts, we believe that we acted properly and within the rights that you granted us when you entered into the guaranty arrangement.

I have enclosed per your request, copies of all the signed account documents and loan agreements, which includes the Form W-9. Also enclosed is a copy of your 2008 Form 1099.

Again, please accept our regrets for any concern that these matters may have caused you. UBS values your business and the professional relationship you have established with our Firm. We hope to have the opportunity to continue serving your investment needs. If you have any further concerns, you may contact Ms. Smith, at (800) 843-5451 or me at the above address.

Sincerely,

A handwritten signature in black ink, appearing to read "Kyna Ruiz".

Kyna Ruiz
Senior Associate
Client Relations

Enclosures

cc: Kaspar Villiger
Michael Ludwig
Maria Faddish
Melissa Smith



Credit Line Account Application and Agreement for Individuals

UBS Bank USA

Variable Credit Line Account Number (if applicable)		
SV	60843	FD
Fixed Credit Line Account Number (if applicable)		
SF	82086	FD
SSN/TIN	027-30-3499	
Internal Use Only		

[HA]

For Internal Use Only			
Variable Credit Line Account at UBS Bank USA			
MR Herbert K Mallard	SV	60843	FD
Fixed Credit Line Account of UBS Bank USA			
MR Herbert K Mallard	SF	82086	FD

Collateral Account(s) at UBS Financial Services Inc

Insert the information below for each UBS Financial Services Inc account to be pledged to secure the Borrower's credit line.

Full Collateral (Securities) Account Title	Branch	Account Number	FA#
1) Herbert K Mallard	FD	05553	FDAN
2)			
3)			
4)			
5)			
6)			

Credit Line Account

Select the type of credit line account

- Variable Credit Line Account
- Fixed Credit Line Account
- Both

Select the type of Credit Line Account *

- Sole Borrower
- Joint Borrowers

If you do not indicate your preference you will be deemed to have selected the Both option

Please read carefully the Joint Credit Line Account Agreement section of the attached Credit Line Agreement

* Any person, whether married, unmarried or separated, may apply for separate credit

Borrower Information

Complete this section for a Sole Borrower Account or the Primary Borrower for Joint Borrowers.

Basic Information

First Name: Herbert Middle Name: K

Last Name: Mallard

Country of Citizenship: USA Other (specify) 027-30-3499 SSN

Passport/EDULA and Green Card# (if non-U.S. and no SSN specified)

Passport/EDULA Country of Issuance

Location of Address: Home/Legal Residence Business Primary

Other (specify)

Street Address (if a P.O. Box complete the Additional Address information on page 3)

160 Mainway

City: Palm Beach State: FL Zip: 34804 4710

Residence Telephone Number: 561-655-4499

Borrower Financial Information If you share assets with another person please provide financial information for annual income liquid assets net worth per individual

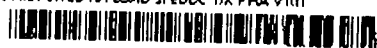
Annual Income: 10,000 Liquid Assets: 1,000,000

Net Worth (exclusive of residence): 1,000,000

Is the Borrower a control person of UBS AG or its subsidiaries or affiliates? Yes No If yes, please specify company and %

Do you derive a substantial amount of your income/wealth (over 50%) from a country outside of the United States? No Yes If yes specify

Countries: _____





UBS Bank USA

Variable Credit Line/Account Number (if applicable)		
SV	60842	FD
Fixed Credit Line Account Number (if applicable)		
EF	82086	FD
SSN/TIN	027-30-3499	
Internal Use Only		

Borrower Personal Information

Date of Birth

10/24/1941

Does the Borrower own 10% or more of the shares of any publicly traded company?

Yes No If yes, please specify company

Is the Borrower an officer or member of the board of directors of UBS AG, its subsidiaries or affiliates?

Yes No If yes, please specify

Subsidiary or Affiliate

Employee Name and SSN

Is the Borrower an immediate family member of an executive officer or member of the board of directors of UBS AG? Immediate family members means a spouse or any other relative residing in the Borrower's household to whom the Borrower lends financial support

Yes No If yes, please specify

Subsidiary or Affiliate

Employee Name and SSN

Will any of the loan proceeds be used to repay any debt or obligation owed to, or purchase an asset from, UBS AG or its subsidiaries or affiliates?

Yes No If yes, please specify

Subsidiary or Affiliate

For purposes these questions, control means a person or entity that either (a) owns, controls or has the power to vote 25% or more of any class of voting securities, (b) has the ability to control the election of the majority of the directors of a company, or (c) has the power to exercise a controlling influence over management policies. A person or entity is presumed to have control of a company if the person or entity owns, controls or has the power to vote 20% or more of any class of voting securities of the company and (i) the person is an executive officer or director of the company or (ii) no other person has a greater percentage of that class of voting securities.

Credit Line Account Features

Check Writing

If you would like to receive Credit Line checks for your credit line account please print below

Check here if you would like Credit Line checks

Checks will be in the name of the borrower and joint borrower (if any). Please print the address that you would like to appear on your checks.

Alternate Mailing Address for Checks

Print the mailing address for the delivery of checks if different from the address on the checks

Wire Instructions for Loan Payments (in US Dollars)

Bank Name UBS AG

Wire System Address ABA 026007993

For Further Credit to the Account of UBS Bank USA
Account Number 101 WA 792479 000

For the Benefit of Full Name
Account Number 516 or 517 00000

Senior Political Affiliation

Are you any authorized signatories, beneficial owners, trustees, powers of attorney or other individuals with authority to effect transactions or any of their immediate family members or close associates?

I) Current U.S. political official (as defined in section 8 below)? No Yes complete

A) Political Official's Name

B) Current Position

President Vice President

US Cabinet Member

Speaker of the House of Representatives

Supreme Court Justice

Chairman of the Joint Chiefs of Staff

Ambassador

C) Relationship to Client(s)

Self Immediate family member

Close associate

Associates with business or trust

II) Current or former Senior (non-U.S. political official, non U.S. Religious Group/Organization or Senior/Influential representative of a non U.S. Religious Group/Organization)?

No Yes complete

Political Official's Name

Current or Former Position

Relationship to Client(s)

Self Immediate family member

Close associate

Associates with business or trust



UBS Bank USA

Variable Credit Line Account Number (if applicable)		
SV	60843	FD
Fixed Credit Line Account Number (if applicable)		
SF	82086	FD
SSN/TIN 027-30-3494		
Internal Use Only		

Duplicate Party Addendum

Complete this section for each Duplicate Party to receive a duplicate credit line account statement

Name _____
 Street Address _____
 Country of Citizenship _____
 USA Other (specify) _____
 City _____ State _____ ZIP _____

Name _____
 Street Address _____
 Country of Citizenship _____
 USA Other (specify) _____
 City _____ State _____ ZIP _____

Additional Address Information

If your mailing address is a PO Box please provide a residential street address below

First Name _____ Last Name _____ Street Address _____
 Location of Address
 Home - Legal Residence Business - Primary
 Home - Secondary Business - Secondary
 Other (specify) _____
 City _____ State _____ ZIP _____

First Name _____ Last Name _____ Street Address _____
 Location of Address
 Home - Legal Residence Business - Primary
 Home - Secondary Business - Secondary
 Other (specify) _____
 City _____ State _____ ZIP _____



UBS Bank USA		
Variable Credit Line Account Number (if applicable)		
SV	60843	FD
Fixed Credit Line Account Number (if applicable)		
SF	02086	FD
SSN / TIN	027-30-3494	
Internal Use Only		

Credit Line Agreement

Borrower Agreement

BY SIGNING BELOW THE BORROWER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT

- A The Borrower has reviewed and read a copy of the Borrower Agreement, the attached Credit Line Account Application and Agreement (including the Credit Line Agreement following the Borrower Agreement) and the Cash Disbursement Statement explaining the interest rates that the Borrower should consult before obtaining a loan as required by the Borrower's securities account. The Borrower agrees to be bound by the terms and conditions contained in the Credit Line Account Application and Agreement (including the Credit Line Agreement following the Borrower Agreement) (which terms and conditions are incorporated by reference) capitalized terms used in the Borrower Agreement have the meanings set forth in the Credit Line Agreement.
- B THE BORROWER UNDERSTANDS AND AGREES THAT UBS BANK USA MAY DEMAND FULL OR PARTIAL PAYMENT OF THE CREDIT LINE OBLIGATIONS AT ITS SOLE OPTION AND WITHOUT CAUSE AT ANY TIME AND THAT NEITHER FIXED RATE ADVANCES NOR VARIABLE RATE ADVANCES ARE EXTENDED FOR ANY SPECIFIC TERM OR DURATION. THE BORROWER UNDERSTANDS AND AGREES THAT ALL ADVANCES ARE SUBJECT TO COLLATERAL MAINTENANCE REQUIREMENTS. THE BORROWER UNDERSTANDS THAT UBS BANK USA MAY AT ANY TIME IN ITS DISCRETION TERMINATE AND CANCEL THE CREDIT LINE REGARDLESS OF WHETHER OR NOT AN EVENT HAS OCCURRED.
- C UNLESS DISCLOSED IN WRITING TO UBS BANK USA AT THE TIME OF THIS APPLICATION AND APPROVED BY UBS BANK USA, THE BORROWER AGREES NOT TO USE THE PROCEEDS OF ANY ADVANCE EITHER TO PURCHASE, CARRY OR TRADE IN SECURITIES OR (II) TO REPAY ANY DEBT (II) USED TO PURCHASE, CARRY OR TRADE IN SECURITIES OR (II) TO ANY AFFILIATE OF UBS BANK USA. THE BORROWER WILL BE DEEMED TO REPEAT THIS AGREEMENT EACH TIME THE BORROWER REQUESTS AN ADVANCE.
- D THE BORROWER UNDERSTANDS THAT BORROWING USING SECURITIES AS COLLATERAL FAILS SHOULD THE VALUE OF THE SECURITIES IN THE COLLATERAL ACCOUNT (DEFINED BELOW) THE REQUIRED COLLATERAL MAINTENANCE REQUIREMENTS. UBS BANK USA MAY REQUIRE THAT THE BORROWER POST ADDITIONAL COLLATERAL, REPAY PART OR ALL OF THE BORROWER'S (OWN AND/OR BELL THE BORROWER'S) SECURITIES ANY REQUIRED LIQUIDATIONS MAY INTERRUPT THE BORROWER'S LONG-TERM INVESTMENT STRATEGIES AND MAY RESULT IN ADVERSE TAX CONSEQUENCES.
- E Neither UBS Bank USA nor UBS Financial Services Inc provides legal or tax advice and nothing herein shall be construed as providing legal or tax advice.
- F Upon execution of this Credit Line Account Application and Agreement, the Borrower declares that all of the information provided in the Application and supplied by the Borrower is true and accurate and further agrees to promptly notify UBS Bank USA in writing of any material changes to any or all of the information contained in the Application including information relating to the Borrower's financial situation.
- G Subject to any applicable federal, state, and local regulations, data regarding the Borrower in this Borrower's securities accounts may be shared with UBS Bank USA affiliates, subject to any applicable federal, state, and local regulations, the Borrower requests that UBS Bank USA share such personal financial data with non-affiliates of UBS Bank USA as is necessary or advisable to verify, administer, enforce, or to service, process or maintain all transactions and accounts contemplated by the Agreement.
- H The Borrower authorizes UBS Bank USA and UBS Financial Services Inc. to obtain a credit report or other credit references concerning the Borrower (excluding trading without or written securities clearing credit history) or to otherwise verify or update credit information given to UBS Bank USA at any time. The Borrower authorizes the release of this credit report or other credit information to UBS Bank USA affiliates, as is necessary or advisable to effect, administer or enforce, or to service, process or maintain all transactions and accounts contemplated by the Agreement as well as the purpose of offering additional products from time to time to the Borrower. The Borrower authorizes UBS Bank USA

in exchange borrower information with any party if reasonably believes it conducting a legitimate credit inquiry in accordance with the Fair Credit Reporting Act. UBS Bank USA may also share credit or other transactional information with the Borrower's designated UBS Financial Services Inc. Financial Advisor or other parties designated by the Borrower.

UBS Bank USA is subject to examination by various federal, state and self regulatory organizations and the banks and service providers managed by UBS Bank USA are subject to inspection and subpoena by those regulators and by federal, state and local law enforcement officials. The Borrower also acknowledges that such regulators and officials may discuss in writing or other arrangements, in non disclosure with information to the officials of regulators of other countries and that U.S. courts may be required to compel UBS Bank USA to disclose such information to the officials or regulators of other countries. The Borrower agrees that UBS Bank USA may disclose to such regulators and officials information about the Borrower and transactions in the credit line account or other accounts of UBS Bank USA without notice to the Borrower. In addition UBS Bank USA may in the context of a private dispute be required by subpoena or other process to produce or disclose information to produce documentation related to the Borrower, the credit line account or other accounts of UBS Bank USA. The Borrower acknowledges and agrees that UBS Bank USA reserves the right, in its sole discretion, to respond to subpoenas and judicial process as it deems appropriate.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires financial institutions to obtain, verify, and record information that identifies each person who opens an account. When the Borrower opens an account with UBS Bank USA, UBS Bank USA will do for the Borrower a name address and other information that will allow UBS Bank USA to identify the Borrower. UBS Bank USA may also do so to other identifying documents. UBS Financial Services Inc. as UBS Bank USA are fully committed to compliance with all applicable laws, rules and regulations including those related to combating money laundering. The Borrower understands and agrees that the Borrower must take all necessary steps to comply with the anti-money laundering laws, rules and regulations of the Borrower's country of origin, country of residence and the situs of the Borrower's transaction.

UBS Bank USA and its affiliates will act as creditors and accordingly their interests may be consistent with and potentially adverse to the Borrower's interests. As a lender and consistent with normal lending practice, UBS Bank USA may take any step necessary to protect its interest in the Credit Line Account, call for additional collateral or force the sale of the Borrower's securities if the Borrower's actions or inactions call the Borrower's commitment into question. Neither UBS Bank USA nor UBS Financial Services Inc. will act as the Borrower's investment advisor with respect to any liquidation. In fact UBS Bank USA will not even recommend UBS Financial Services Inc. will act as a customer representative.

The Borrower understands that if the Collateral Account is a managed account with UBS Financial Services Inc. (i) in addition to any fees payable to UBS Financial Services Inc. in connection with the Borrower's managed account, interest will be payable to the Bank on an amount advanced to the Borrower in connection with the Credit Line Account, and (ii) the performance of the managed account might not exceed the managed account fees and the interest expense payable to the Bank in which case the Borrower's overall rate of return will be less than the costs associated with the managed account.

UBS Bank USA may provide copies of all credit line account statements to UBS Financial Services Inc. and to any guarantor. The Borrower acknowledges and agrees that UBS Bank USA may share any and all information regarding the Borrower and the Borrower's accounts at UBS Bank USA with UBS Financial Services Inc., UBS Financial Services Inc. may provide copies of all statements and communications concerning such Collateral Account to UBS Bank USA at such times and in such manner as UBS Bank USA may require and may share with UBS Bank USA any and all information regarding the Borrower and the Borrower's accounts with UBS Financial Services Inc.

IN WITNESS WHEREOF, the undersigned (Borrower) has signed this Agreement or has caused this Agreement to be signed in its name by its duly authorized representative, on the date indicated below.

Name of Borrower Herbert K Mallard

DATE 7-25-08

I intend to purchase with this Credit Line Account.
By: (Signature of Borrower) Herbert K Mallard

(Please Print)

The signature of each Borrower is required. Note that the signature of a joint securities account holder on a Collateral Account (including the spouse of a Borrower) is NOT required in this Agreement unless the joint securities account holder is also a Borrower.

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