

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

First Union Securities, Inc. n/k/a Wachovia Securities, Inc., Claimant v. Anthony B.J. Black,
Respondent

Anthony B.J. Black, Counter-Claimant v. First Union Securities, Inc. n/k/a Wachovia Securities,
Inc., Counter-Respondent

Case Number: 01-00391

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimant/Counter-Respondent

First Union Securities, Inc. n/k/a Wachovia Securities, Inc.:

Ronald P. Kane, Esq.
Kane & Fischer, Ltd.
Chicago, Illinois

For Respondent/Counter-Claimant Anthony B.J. Black:

Anthony B.J. Black
In Pro Per
Carlsbad, California

CASE INFORMATION

Statement of Claim filed: January 23, 2001

Amended Statement of Claim filed by Claimant/Counter-Respondent First Union Securities, Inc.
n/k/a Wachovia Securities, Inc.: December 11, 2001

Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc.'s
Response to Respondent/Counter-Claimant Anthony B.J. Black's Counterclaim dated April 20,
2001 filed: May 18, 2001

Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc.'s
Response to Respondent/Counter-Claimant Anthony B.J. Black's Counterclaim received
November 13, 2002 filed: December 9, 2002

Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc.'s
Uniform Submission Agreement signed: January 17, 2001

Statement of Answer and Counterclaim filed by Respondent/Counter-Claimant Anthony B.J. Black: April 20, 2001

Statement of Answer and Counterclaim filed by Respondent/Counter-Claimant Anthony B.J. Black received: November 13, 2001

Respondent/Counter-Claimant Anthony B.J. Black's Uniform Submission Agreement signed: April 20, 2001

CASE SUMMARY

In the Original and Amended Statement of Claim, Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc. alleged breach of promissory note ("Note 1") dated August 20, 1996 and promissory note ("Note 2") December 11, 1997, indemnity, and contribution.

Respondent/Counter-Claimant Anthony B.J. Black denied the allegations of wrongdoing set forth in Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc.'s Original and Amended Statement of Claim.

In his Counterclaim, Respondent/Counter-Claimant Anthony B.J. Black alleged negligent misrepresentation, violation of California Labor Code §970, and breach of contract.

Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc. denied the allegations of wrongdoing set forth in Respondent/Counter-Claimant Anthony B.J. Black's Counterclaim.

RELIEF REQUESTED

In the Original Statement of Claim, Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc. requested the following:

- A. The principal balance due and owing under Note 1 in the amount of \$355,978.20;
- B. Interest accrued during the term of Note 1 at the contract rate of 7% in the amount of \$14,473.24;
- C. Interest at the lesser of (i) the prime rate per annum of Harris Bank and Trust Company of Chicago, Illinois or its successor(s), as adjusted from time to time, plus two percentage points, or (ii) the highest rate permitted by law, on the balance due and owing under Note 1 from May 10, 1999 to the date of payment;
- D. The principal balance due and owing under Note 2 in the amount of \$46,657.44;

- E. Interest at the lesser of (i) the prime rate per annum of Harris Bank and Trust Company of Chicago, Illinois or its successor(s), as adjusted from time to time, plus two percentage points, or (ii) the highest rate permitted by law, on the balance due and owing under Note 2 from the date of default (May 10, 1999) to the date of payment; and
- F. The costs of collection and of this proceeding including attorney's fees as agreed to under the terms of Note 1 and Note 2.

In the Amended Statement of Claim, Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc. requested the following:

- A. The principal balance due and owing under Note 1 in the amount of \$355,978.20;
- B. Interest accrued during the term of Note 1 at the contract rate of 7% in the amount of \$14,473.24;
- C. Interest at the lesser of (i) the prime rate per annum of Harris Bank and Trust Company of Chicago, Illinois or its successor(s), as adjusted from time to time, plus two percentage points, or (ii) the highest rate permitted by law, on the balance due and owing under Note 1 from May 10, 1999 to the date of payment;
- D. The principal balance due and owing under Note 2 in the amount of \$46,657.44;
- E. Interest at the lesser of (i) the prime rate per annum of Harris Bank and Trust Company of Chicago, Illinois or its successor(s), as adjusted from time to time, plus two percentage points, or (ii) the highest rate permitted by law, on the balance due and owing under Note 2 from the date of default (May 10, 1999) to the date of payment;
- F. The costs of collection and of this proceeding including attorney's fees as agreed to under the terms of Note 1 and Note 2; and
- G. Losses incurred by First Union Securities, Inc. n/k/a Wachovia Securities, Inc. as a result of the settlement of the Rosenblatt Action in the amount of \$1,600,000.00.

Respondent/Counter-Claimant Anthony B.J. Black requested dismissal of Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc.'s Original and Amended Statement of Claim in its entirety.

In his Counterclaim, Respondent/Counter-Claimant Anthony B.J. Black requested \$2,500,000.00 in compensatory damages, arbitration costs, and attorney's fees.

Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc. requested dismissal of Respondent/Counter-Claimant Anthony B.J. Black's Counterclaim in its entirety, arbitration costs, and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On January 27, 2003, Respondent/Counter-Claimant Anthony B.J. Black signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On January 30, 2003, Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc.'s counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

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

- 1) Respondent/Counter-Claimant Anthony B.J. Black is liable to and shall pay Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc. compensatory damages on Notes 1 and 2 in the amount of \$333,417.64.
- 2) Respondent/Counter-Claimant Anthony B.J. Black is liable to and shall pay Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc. interest to and including February 19, 2003 in the amount of \$102,606.50.
- 3) Respondent/Counter-Claimant Anthony B.J. Black is liable to and shall pay Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc. attorney's fees to and including February 19, 2003 in the amount of \$21,021.50 pursuant to the terms of the promissory notes.
- 4) Respondent/Counter-Claimant Anthony B.J. Black is liable to and shall pay Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc. \$620.28 in arbitration costs.
- 5) Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc.'s claims for indemnity and contribution are denied in their entirety.
- 6) Respondent/Counter-Claimant Anthony B.J. Black's Counterclaim is denied in its entirety.

- 7) Except as noted above, the parties shall bear their respective costs, including attorney's fees.
- 8) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 2,000.00
Respondent/Counter-Claimant Anthony B.J. Black's Counterclaim filing fee	= \$ 500.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm First Union Securities, Inc. n/k/a Wachovia Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,500.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 4,500.00
Total Member Fees	= \$ 7,600.00

Adjournment Fees

The following adjournment fees are assessed:

Hearing Dates, November 12, 2002 – November 15, 2002 adjournment requested by Respondent/Counter-Claimant Anthony B.J. Black	= \$ 0.00
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Adjournment Fee Waived by the Arbitration Panel

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Panel. The following fees are assessed:

3 Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 3,600.00
Pre-hearing conferences:	
February 26, 2002	1 session
March 21, 2002	1 session
October 25, 2002	1 session

4 Hearing sessions @ \$1,200.00/session	= \$ 4,800.00
Hearings:	
February 18, 2003	2 sessions
February 19, 2003	2 sessions

Total Forum Fees	= \$ 8,400.00
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1. The Panel assessed \$4,200.00 of the forum fees to Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc.
2. The Panel assessed \$4,200.00 of the forum fees to Respondent/Counter-Claimant Anthony B.J. Black.

Fee Summary

1. Claimant/Counter-Respondent First Union Securities, Inc. n/k/a Wachovia Securities, Inc. is charged with the following fees and costs:

Initial Filing Fee	= \$ 2,000.00
Member Fees	= \$ 7,600.00
<u>Forum Fees</u>	<u>= \$ 4,200.00</u>
Total Fees	= \$13,800.00
<u>Less payments</u>	<u>= \$(6,725.00)</u>
Balance Due NASD Dispute Resolution	= \$ 7,075.00
2. Respondent/Counter-Claimant Anthony B.J. Black is charged with the following fees and costs:

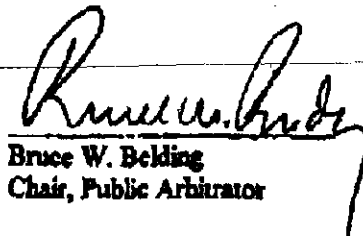
Counterclaim Filing Fee	= \$ 500.00
<u>Forum Fees</u>	<u>= \$ 4,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,700.00

All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Bruce W. Belding	-	Public Arbitrator, Presiding Chair
Franklin G. Allen, Esq.	-	Public Arbitrator
Leo B. Roter	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Bruce W. Belding
Chair, Public Arbitrator

Feb. 26, 2003
Signature Date

Franklin G. Allen, Esq.
Public Arbitrator

Signature Date

Leo B. Roter
Non-Public Arbitrator

Signature Date

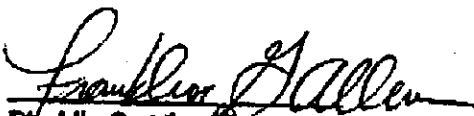
2/28/03
Date of Service

ARBITRATION PANEL

Bruce W. Belding	-	Public Arbitrator, Presiding Chair
Franklin G. Allen, Esq.	-	Public Arbitrator
Leo B. Rorer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Bruce W. Belding
Chair, Public Arbitrator


Franklin G. Allen, Esq.
Public Arbitrator

Leo B. Rorer
Non-Public Arbitrator

Signature Date

2-26-03
Signature Date

Signature Date

2/28/03
Date of Service