

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

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

and

01-02565
Phoenix, Arizona

Name of Respondent

David W. Block

REPRESENTATION OF PARTIES

First Union Securities, Inc. n/k/a Wachovia Securities, Inc. ("Claimant") was represented by Diane C. Fischer, Esq. and Kevin Gleason, Esq., Kane & Fischer, Ltd., Chicago, Illinois. Mr. Gleason appeared at the hearing on behalf of Claimant.

David W. Block ("Respondent") appeared *pro se*.

CASE INFORMATION

The Statement of Claim was filed on or about May 15, 2001. Response of First Union Securities, Inc. to Counterclaim of David W. Block was filed on or about August 14, 2001. Submission Agreement of Claimant First Union Securities, Inc. n/k/a Wachovia Securities, Inc. was signed on May 10, 2001 by Renan I. Sugarman.

Answer and Counterclaim was filed by Respondent David W. Block on or about July 31, 2001. Submission Agreement of Respondent David W. Block was signed on July 27, 2001.

CASE SUMMARY

Claimant alleged that

On July 9, 1998, the parties voluntarily entered into a promissory note ("Note 1") whereby Respondent was loaned the sum of \$90,000.00. According to the terms of Note 1, Respondent agreed to repay \$90,000.00 in one lump sum payment on July 10, 2003 plus interest at the rate of six percent (6%) per annum. Note 1 further provides that beginning August 10, 1999, Claimant shall forgive \$2,240.47 on the 10th day of each calendar month through July 10, 2003, but only if Respondent has, at all times from the date of Note 1, remained in the full-time employment of Claimant. In addition, Note 1 provides that in the

event that Respondent's employment terminates "for any reason whatsoever" during the term of Note 1, any outstanding principal balance on Note 1 immediately became due and payable.

On November 18, 1999, the parties voluntarily enter into a promissory note ("Note 2") whereby Respondent was loaned the sum of \$109,068.00. According to the terms of Note 2, Respondent agreed to repay \$109,068.00 in one lump sum payment on November 30, 2003, plus interest at the rate of six percent (6%) per annum. Note 2 further provides that beginning December 30, 2000, Claimant shall forgive \$3,517.14 on the 30th day of each calendar month through November 30, 2003, but only if Respondent has, at all times from the date of Note 2, remained in the full-time employment of Claimant. In addition, Note 2 provides that in the event that Respondent's employment terminates "for any reason whatsoever" during the term of Note 2, any outstanding principal balance on Note 2 immediately became due and payable.

The Respondent's termination from First Union occurred on February 29, 2000. Based on Respondent's voluntary termination, the Claimant contends that the remaining principal balances under Notes 1 and 2 (the "Notes") of \$75,005.54 and \$109,068.00, respectively, became immediately due and payable on that date. After the Respondent refused to pay the balances claimed due, the Claimant filed its Statement of Claim seeking the principal balances due under the Notes, accrued interest and the attorneys' fees and costs incurred in the pursuit of its claim.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically stated that Claimant unlawfully withheld his final paycheck.

RELIEF REQUESTED

Claimant requested an award in the amount of \$186,179.11, accrued interest, and the attorneys' fees and costs incurred in the pursuit of its claim in the total amount of \$248,115.59. Claimant also requested that the counterclaim asserted in this matter be dismissed.

Respondent requested that the claims asserted against him be denied in their entirety and that he be awarded the sum of \$16,000.00 plus costs.

OTHER ISSUES CONSIDERED & DECIDED

The parties agreed to the telephonic participation of Arbitrator Allen B. Lang.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

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

1. Respondent David W. Block shall be and hereby is liable for and shall pay to Claimant First Union Securities, Inc. n/k/a Wachovia Securities, Inc. the sum of \$186,179.11 (**One Hundred Eighty Six Thousand One Hundred Seventy Nine Dollars and Eleven Cents**) as compensatory damages.
2. Respondent David W. Block shall be and hereby is liable for and shall pay to Claimant First Union Securities, Inc. n/k/a Wachovia Securities, Inc. interest in the amount of \$40,585.54 (**Forty Thousand Five Hundred Eighty Five Dollars and Fifty Four Cents**).
3. Respondent David W. Block shall be and hereby is liable for and shall pay to Claimant First Union Securities, Inc. n/k/a Wachovia Securities, Inc. the sum of \$16,270.00 (**Sixteen Thousand Two Hundred Seventy Dollars and No Cents**) as attorneys fees and \$7,186.51 (**Seven Thousand One Hundred Eighty Six Dollars and Fifty One Cents**) as costs pursuant to the terms of the contract.
4. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
5. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$1,000.00
Counter claim filing fee	= \$ 250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is First Union Securities, Inc. n/k/a Wachovia Securities, Inc.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing session(s) with Panel x \$1,125.00	= \$2,250.00
Pre-hearing conference(s): December 14, 2001 1 session	
September 4, 2002 1 session	
One (1) Hearing sessions x \$1,125.00	= \$1,125.00
Hearing Date(s): September 24, 2002 1 session	
Total Forum Fees	= \$3,375.00

The Arbitration Panel has assessed \$1,687.50 of the forum fees to First Union Securities, Inc. n/k/a Wachovia Securities, Inc.

The Arbitration Panel has assessed \$1,687.50 of the forum fees to David W. Block.

Fee Summary

Claimant, First Union Securities, Inc. n/k/a Wachovia Securities, Inc. , shall be and hereby is liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 4,600.00
<u>Forum Fees</u>	<u>= \$ 1,687.50</u>
Total Fees	= \$ 7,287.50
<u>Less payments</u>	<u>= \$ 6,725.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 562.50

Respondent, David W. Block, shall be and hereby is liable for:

Counterclaim Filing Fee	= \$ 250.00
<u>Forum Fees</u>	= \$ 1,687.50
Total Fees	= \$ 1,937.50
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,937.50

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

James W. Warren - Non-Public Arbitrator, Presiding Chair


James Sullivan - Non-Public Arbitrator

Allen B. Lang - Non-Public Arbitrator

Concurring Arbitrators:


James W. Warren
Non-Public Arbitrator, Presiding Chair

9-24-02
Signature Date


James Sullivan
Non-Public Arbitrator

9/24/02
Signature Date

Allen B. Lang
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.
 Arbitration No. 01-02565
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Respondent, David W. Block, shall be and hereby is liable for:

Counterclaim Filing Fee	= \$ 250.00
<u>Forum Fees</u>	= \$ 1,687.50
Total Fees	= \$ 1,937.50
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,937.50

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

James W. Warren - Non-Public Arbitrator, Presiding Chair
 James Sullivan - Non-Public Arbitrator
 Allen B. Lang - Non-Public Arbitrator

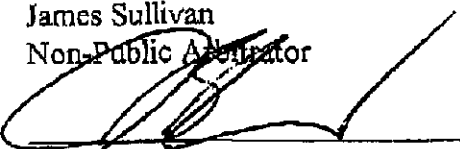
Concurring Arbitrators:

 James W. Warren
 Non-Public Arbitrator, Presiding Chair

 Signature Date

 James Sullivan
 Non-Public Arbitrator

 Signature Date


 Allen B. Lang
 Non-Public Arbitrator


 Signature Date