

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Edward N. Schwartz and Jeanine Schwartz, (Claimants) v. JW Charles Securities, Inc., a/k/a JW Genesis Securities, Inc., n/k/a First Union Securities Financial Network, Inc., Andrew Vuksic, James Caterina, Thomas Holly, Eric Lyon and Mike Roberts, (Respondents)

Case Number: 01-02931

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Edward N. Schwartz (E. Schwartz) and Jeanine Schwartz (J. Schwartz), hereinafter collectively referred to as "Claimants": Morgan Bentley, Esq., Newark, NJ.

Previously represented by: Ellen Horowitz Dale, Esq., Dale & Gordon LLP, Fort Lee, NJ.

Respondents, JW Charles Securities, Inc., a/k/a JW Genesis Securities, Inc., ("JW"), n/k/a First Union Securities Financial Network, Inc. ("First"), Andrew Vuksic ("Vuksic"), James Caterino ("Caterino"), Thomas Holly ("Holly"), Eric Lyon ("Lyon") and Mike Roberts ("Roberts"), hereinafter collectively referred to as "Respondents": David H. Jarvis, Esq., Senior Vice President and Senior Litigation Counsel, Wachovia Securities, Inc., Richmond, VA.

Previously represented by: Charles E. Scarlett, Esq., First Union Securities Financial Network, Inc., Boca Raton, FL.

CASE INFORMATION

Statement of Claim filed on or about: June 1, 2001.

Revised Statement of Claim filed on or about: July 9, 2001.

E. Schwartz signed the Uniform Submission Agreement: July 5, 2001.

J. Schwartz signed the Uniform Submission Agreement: July 5, 2001.

Statement of Answer filed by Respondents on or about: August 31, 2001.

JW signed the Uniform Submission Agreement: August 31, 2001.

Vuksic did not sign a Uniform Submission Agreement.

Caterino signed the Uniform Submission Agreement: September 4, 2001.

Holly signed the Uniform Submission Agreement: September 4, 2001.

Lyon signed the Uniform Submission Agreement: September 4, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; failure to supervise; breach of fiduciary duty; misrepresentations/non-disclosures; unauthorized trading; omission of facts; failure to deliver prospectus; and suitability. Claimants' claim involved the municipal bonds of Pearsall Health Facility Revenue Bond and Rusk County Health Facilities Corporation Bond.

Unless specifically admitted in its Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted the following defenses: no representations were made that the investments were riskless or that prospectuses were unavailable; E. Schwartz was an experienced attorney and knowledgeable investor who readily understood documentation which he reviewed; claimants received confirmations on each investment disclosing the yield to be received and the rating or non-rating of the bonds in question.

RELIEF REQUESTED

Claimants requested compensatory damages in the sum of \$50,000.00, together with interest, reasonable attorney's fees, the cost of the proceeding and any other relief the arbitrator deems appropriate. Claimant further requested the rescission of both the Pearsall and Rusk bond purchases and reimbursement for interest charges for the bonds.

Respondents requested dismissal of the Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. JW Charles Securities, Inc., a/k/a JW Genesis Securities, Inc., n/k/a First Union Securities Financial Network, Inc., is now known as Wachovia Securities.

AWARD

On September 26, 2002, the parties entered into an agreement to present to the arbitrator a Stipulated Award. Now, upon the agreement of the parties for entry of an award, the written stipulation thereto, the arbitrator enters this award granting the following relief:

1. The arbitrator recommends the expungement of all references to the above captioned arbitration from Respondent Vuksic's, Caterino's, Holly's, Lyon's and Roberts' registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, the individual Respondents must obtain confirmation of this Award from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

2. All claims against Vuksic, Caterino, Holly, Lyon and Roberts be and are hereby dismissed with prejudice, with all parties to bear their respective costs and fees, including attorney's fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$ 175.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm JW Charles Securities, Inc., a/k/a JW Genesis Securities, Inc., and First Union Securities Financial Network, Inc. are parties.

First Union Securities Financial Network, Inc.

Member Surcharge	= \$ 800.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 1,000.00
Total Member Fees	= \$ 2,400.00

Adjournment Fees

The following adjournment fees are assessed:

June 24, 2002 and June 25, 2002, adjournment requested by Respondents = \$ 450.00

Forum Fees and Assessments

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

Two (2) Pre-hearing conference sessions with a single arbitrator @ \$ 450.00/session	= \$ 900.00
Pre-hearing conferences: February 19, 2002	1 session
July 25, 2002	1 session
Total Forum Fees	= \$ 900.00

1. The Arbitrator has assessed all of the forum fees against First.

Fee Summary

1. Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 175.00
Total Fees	= \$ 175.00
<u>Less payments</u>	= \$ 625.00
Refund Due Claimant	= \$ 450.00

2. First (now known as Wachovia Securities) is solely liable for:

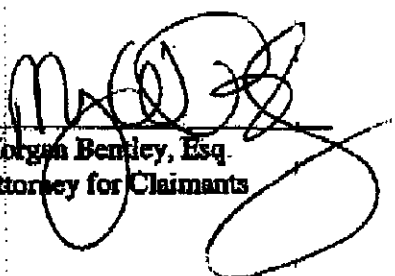
Member Fees	= \$ 2,400.00
<u>Forum Fees</u>	= \$ 900.00
Total Fees	= \$ 3,300.00
<u>Less payments</u>	= \$ 3,300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Adjournment Fees</u>	= \$ 450.00
Total Fees	= \$ 450.00
<u>Less Payments</u>	= \$ 500.00
Refund Due First (now known as Wachovia Securities)	= \$ 50.00

All balances are due and payable to NASD Dispute Resolution.

Parties' Signatures



Morgan Bentley, Esq.
Attorney for Claimants

Signature Date

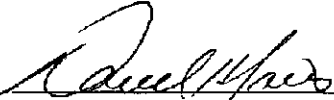
David H. Jarvis, Esq.
Attorney for Respondents

Signature Date

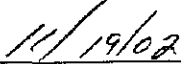
Parties' Signatures

Morgan Bentley, Esq.
Attorney for Claimants

Signature Date



David H. Jarvis, Esq.
Attorney for Respondents



Signature Date



ARBITRATION PANEL


John Daly, Esq.

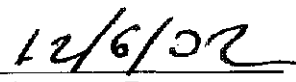
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Public Arbitrator, Chairperson

Arbitrator's Signature

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


John Daly, Esq.
Public Arbitrator, Chairperson


Signature Date

December 11, 2002

Date of Service (For NASD office use only)

