

ORIGINAL

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:
Wachovia Securities, Inc., Claimant v. John A. Hines, Respondent

Case Number: 02-06060

Hearing Site: Seattle, Washington

REPRESENTATION OF PARTIES

For Claimant:

Douglas D. Callaway, Esq.
Wachovia Securities Inc.
Richmond, Virginia

For Respondent:

John A. Hines
In Propria Persona
Maple Valley, Washington

CASE INFORMATION

Statement of Claim filed: October 10, 2002

Claimant's Uniform Submission Agreement signed: October 9, 2002

Statement of Answer filed by Respondent John A. Hines: Not filed

Respondent John A. Hines' Uniform Submission Agreement signed: Not signed

CASE SUMMARY

Claimant alleged that Respondent failed to repay two loans as required by written Promissory Notes.

Respondent John A. Hines failed to file a Statement of Answer.

RELIEF REQUESTED

Claimant requested \$184,601.39 compensatory damages, \$2,242.80 in accrued interest, unspecified interest from date of default to payment of award, attorney's fees, and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent John A. Hines did not file with NASD Dispute Resolution a properly executed submission agreement; however, Respondent is required to submit to Arbitration and is bound by

the determination of the Panel on all issues submitted.

On February 26, 2003, Claimant filed, pursuant to NASD Code of Arbitration Procedure Rule 10314, a motion to preclude Respondent from presenting any facts at the hearing in this matter.

On May 19, 2003, the initial telephonic pre-hearing conference call in this matter was held. In attendance were Counsel for Claimant and the Arbitration Panel. The Panel ordered that the Claimant provide service of notification of this matter to Respondent John A. Hines by a process server. The Panel requested that Claimant provide, by July 22, 2003, evidence of attempt to serve Respondent and to provide written submission of all losses incurred as a result of the alleged failure to repay the Promissory Notes and all expenses incurred in prosecuting this matter.

On July 1, 2003, Claimant filed pursuant to NASD Code of Arbitration Procedure Rule 10314 Motion to Preclude and Motion for Entry of an Award.

On August 5, 2003, a telephonic pre-hearing conference was held, attended by Counsel for Claimant and the Arbitration Panel. The purpose of the pre-hearing conference call was to address the Claimant's July 1, 2003 Motion and to allow to the Claimant to present evidence in support of his claim. The Claimant submitted an affidavit from a process server stating that the mailing address on record for Respondent was his last known mailing address. Upon review of the file and the representations made on behalf of the Claimant, the undersigned Panel determined that Respondent John A. Hines was properly served with the Statement of Claim and received due notice of this matter.

Claimant 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 and arguments presented by the Claimant, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's Motion to Preclude and Motion for Entry of an Award is granted.
- 2) Respondent John A. Hines is liable to and shall pay Claimant the sum of \$186,625.61 in compensatory damages.
- 3) Respondent John A. Hines is liable to and shall pay to Claimant the sum of \$11,063.05 in accrued interest.
- 4) Respondent John A. Hines is liable to and shall pay to Claimant the sum of \$2,000.00 in attorney's fees pursuant to contract.

- 5) Respondent John A. Hines is liable to and shall pay Claimant the sum of \$3,925.00 in costs.
- 6) Except as set forth above, the parties shall bear their respective costs, including attorney's fees.
- 7) 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	= \$ 1,000.00
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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 JB Oxford & Company is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Total Member Fees	= \$ 2,450.00

Forum Fees and Assessments

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

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$ 2,250.00
Pre-hearing conferences:	
May 19, 2003	1 session
August 5, 2003	1 session

Total Forum Fees	= \$ 2,250.00
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1) The Panel assessed the entire amount of the forum fees to Respondent.

Fee Summary

1. Claimant Wachovia Securities, Inc. is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 2,450.00
Total Fees	= \$ 3,450.00
Less payments	= \$ (7,325.00)
Refund Due Claimant	= \$ (3,875.00)

2. Respondent John A. Hines is charged with the following fees and costs:

Forum Fees	= \$ 2,250.00
Less payments	= \$ (0.00)
Balance Due NASD Dispute Resolution	= \$ 2,250.00

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

Bonny Kathleen Riggs	-	Non-Public Arbitrator, Presiding Chair
Jerome O. Cohen, Esq.	-	Non-Public Arbitrator
Robert E. Mason	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


BONNY KATHLEEN RIGGS
Chair, Non-Public Arbitrator

08-28-03
Signature Date

MARK D. ROTH, ESQ.
Non-Public Arbitrator

Signature Date

ROBERT E. MASON
Non-Public Arbitrator

Signature Date

8/29/03
Date of Service

NASD Dispute Resolution
Arbitration No. 02-06060
Award Page 6 of 6

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