

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Patricia L. Densmore and Patricia L. Strepnica IRA Rollover (Claimants) v. Wachovia Securities, Raymond Sole, and Karl F. Baumholtz (Respondents)

Case Number: 03-00738

Hearing Site: Cleveland, Ohio

Nature of the Dispute: Customer vs. Member and Associated Persons.

REPRESENTATION OF PARTIES

Claimants Patricia L. Densmore ("Densmore") and Patricia L. Strepnica IRA Rollover ("Strepnica IRA") hereinafter collectively referred to as "Claimants": Steven R. Malynn, Esq., Kohrman, Jackson & Krantz, PLL, Cleveland, OH.

Respondents Wachovia Securities, Inc. ("Wachovia"), Raymond Sole ("Sole"), and Karl F. Baumholtz ("Baumholtz") hereinafter collectively referred to as "Respondents": Todd Ratner, Esq. Wachovia Securities, Inc., Richmond, VA.

CASE INFORMATION

Statement of Claim filed on or about: January 30, 2003.

Claimants' Brief Opposing Baumholtz's Motion to Dismiss filed on or about: July 31, 2003.

Densmore signed the Uniform Submission Agreement: May 15, 2002.

Joint Statement of Answer and Motion to Dismiss Baumholtz filed by Respondent on or about: April 4, 2003.

Wachovia signed the Uniform Submission Agreement: April 4, 2003.

Sole signed the Uniform Submission Agreement: March 19, 2003.

Baumholtz signed the Uniform Submission Agreement: March 20, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: unauthorized trading; suitability; violation of NASD Rules; federal securities fraud; violation of anti-fraud provision under the Ohio Securities Act; breach of fiduciary duty; breach of contract; negligence; failure to supervise; and fraudulent concealment. Claimants' claim involved common stock; money market funds; and mutual funds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested out-of-pocket losses in an amount estimated at \$150,000.00; punitive damages in an amount to be specified by the arbitrators; reasonable attorneys' fees; all costs and expenses associated with this matter; and any and all such other relief as the panel of arbitrators shall deem just and equitable.

Respondents requested that the Panel reject Claimants' claims in their entirety, dismiss this action, order that forum fees be borne by the Claimant, that the claim be dismissed against Baumholtz, and any other relief it deems to be just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

By letter dated November 14, 2003, Claimants notified NASD Dispute Resolution that all claims against Respondent Sole were dismissed without prejudice.

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.

AWARD

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

1. All claims against Baumholtz are dismissed in their entirety.
2. Wachovia is liable for and shall pay to the Claimants compensatory damages in the amount of \$35,700.00, plus interest at the rate of 10% per annum from the date of the award until the award is paid.
3. Wachovia is liable for and shall pay to the Claimants the sum of \$300.00, to reimburse Claimants for the filing fee previously paid to NASD Dispute Resolution.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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 = \$300.00

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. Accordingly, Wachovia is a party.

Member surcharge = \$1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,750.00

Forum Fees and Assessments

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

Four (4) Pre-hearing sessions with Panel @ \$1,125.00 = \$ 4,500.00

Pre-hearing conferences:

July 17, 2003	1 session
August 14, 2003	1 session
October 10, 2003	1 session
November 26, 2003	1 session

Seven (7) Hearing sessions @ \$1,125.00 = \$ 7,875.00

Hearing Dates:

December 2, 2003	2 sessions
December 3, 2003	3 sessions
December 4, 2003	2 sessions

Total Forum Fees = \$12,375.00

1. The Panel has assessed \$12,375.00 of the forum fees against Wachovia.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee = \$ 300.00

Total Fees = \$ 300.00

Less payments = \$1,425.00

Refund Due Claimants = \$1,125.00

As stated in the Award section above, Wachovia is liable for and shall reimburse Claimants for the \$300.00 filing fee.

2. Wachovia is solely liable for:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	<u>= \$12,375.00</u>
Total Fees	= \$17,575.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$12,375.00

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

ARBITRATION PANEL

Benjamin B. Segel, Esq.	-	Public Arbitrator, Presiding Chair
Daniel G. Zeiser, Esq.	-	Public Arbitrator
Edward L. Roth	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

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.



Benjamin B. Segel, Esq.
Public Arbitrator, Presiding Chairperson

12/11/03

Signature Date

Daniel G. Zeiser, Esq.
Public Arbitrator

Signature Date

Edward L. Roth
Non-Public Arbitrator

Signature Date

December 18, 2003

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

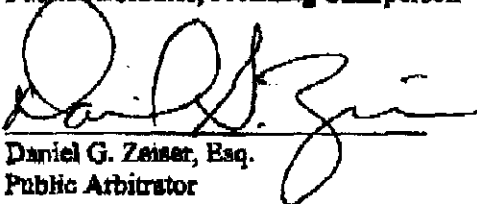
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Signature Date



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Public Arbitrator, Presiding Chairperson

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Daniel G. Zeiser, Esq.
Public Arbitrator

Signature Date



Edward L. Roth
Non-Public Arbitrator

12-18-03

Signature Date

December 18, 2003

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