
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Kimberly Fipps-Chobak
Nancy M. Hurst

Case Number: 03-03132

Names of the Respondents

Jackson R. Coker II
Wachovia Securities, Inc.

Hearing Site: Atlanta, GA

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

REPRESENTATION OF PARTIES

For Kimberly Fipps-Chobak and Nancy M. Hurst, hereinafter collectively referred to as "Claimants": Thomas L. Krebs, Esq., Haskell Slaughter Young & Rediker, LLC, Birmingham, AL.

For Respondents Jackson R. Coker II ("Coker") and Wachovia Securities, Inc. ("Wachovia"), hereinafter collectively referred to as "Respondents": Todd Ratner, Assistant Vice President and Counsel, Wachovia, Richmond, VA.

CASE INFORMATION

Statement of Claim filed on or about: April 29, 2003.

Claimant Kimberly Fipps-Chobak signed the Uniform Submission Agreement: April 2, 2003.

Claimant Nancy Hurst signed the Uniform Submission Agreement: April 5, 2003.

Statement of Answer filed by Respondents on or about: July 1, 2003.

Respondents signed the Uniform Submission Agreement: June 30, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: fraud, misrepresentations, or omissions in connection with the purchase or sale of securities in violation of sections 8-6-17 and 8-6-19(a)(2) of the Securities Act of Alabama; unsuitability and unauthorized trading under NASD rules and the Alabama Securities Act; failure to supervise; fraud under Alabama Code section 6-5-101; common law fraud, deceit and suppression; breach of fiduciary duty; wantonness; and, fraud and deceit in violation of Illinois Law section 12[5/12] F. The causes of action relate to the purchase of unspecified securities products in Claimants' accounts.

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 compensatory damages of \$111,982.00, pre-judgment interest at the rate of 6%, attorneys' fees, costs, and punitive damages of \$336,036.00.

Respondents requested dismissal of the Statement of Claim, assessment of all forum fees against Claimants, and an award of any other relief the undersigned arbitrators (the "Panel") deemed to be just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

During the evidentiary hearing, Claimants withdrew their fraud claims.

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, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent Wachovia is liable and shall pay to Claimant Kimberly Fipps-Chobak compensatory damages in the sum of \$3,000.00, pre-judgment interest specifically excluded.

Respondent Wachovia is liable and shall pay to Claimant Nancy M. Hurst compensatory damages in the sum of \$10,000.00, pre-judgment interest specifically excluded.

Respondent Wachovia is liable and shall pay to Claimants, attorneys' fees in the sum of \$5,200.00 pursuant to the Alabama Securities Act.

Respondent Wachovia is liable and shall pay to Claimants costs in the sum of \$9,500.00.

Claimants' claims against Respondent Coker are denied.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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
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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. Accordingly, Respondent Wachovia is a member firm and a party.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$ 2,750.00</u>

Total Member Fees

= \$ 5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were granted during these proceedings for which fees were assessed.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: March 19, 2004 1 session	
One (1) Pre-hearing session with the Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: November 12, 2003 1 session	
Six (6) Hearing sessions @ \$1,125.00	= \$ 6,750.00
Hearing Dates: April 14, 2004 2 sessions	
April 15, 2004 2 sessions	
April 16, 2004 2 sessions	

Total Forum Fees = \$ 8,325.00

The Panel has assessed \$4,162.50 of the forum fees jointly and severally to Claimants.
The Panel has assessed \$4,162.50 of the forum fees jointly and severally to Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 4,162.50</u>
Total Fees	= \$ 4,462.50
<u>Less payments</u>	<u>= \$ 1,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 3,037.50

Respondent Wachovia is solely liable for:

<u>Member Fees</u>	<u>= \$ 5,200.00</u>
Total Fees	= \$ 5,200.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Wachovia and Coker are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$ 4,162.50</u>
Total Fees	= \$ 4,162.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,162.50

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

ARBITRATION PANEL

John Q. Carter, Esq.	-	Public Arbitrator, Presiding Chairperson
Monique Michelle Wilkerson, M.S.	-	Public Arbitrator
Donald M. Swift	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
John Q. Carter, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Monique Michelle Wilkerson, M.S.
Public Arbitrator

Signature Date

/s/
Donald M. Swift
Non-Public Arbitrator

Signature Date

April 29, 2004
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
 Arbitration No. 03-03132
Award Page 4 of 4

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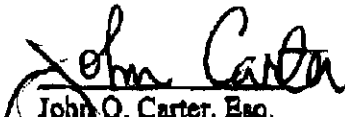
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 Public Arbitrator, Presiding Chairperson

4/26/04
 Signature Date

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Signature Date

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NASD Dispute Resolution
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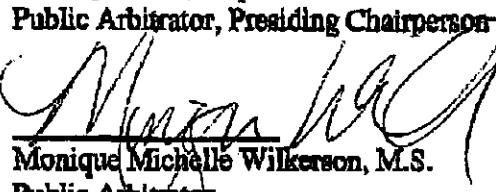
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