

**Stipulated Award**  
**NASD Dispute Resolution**

---

In the Matter of the Arbitration Between:

Ronald M. Lipson, Trustee Ronald M. Lipson Profit Sharing Plan; Ronald M. Lipson and Rochelle Lipson (Claimants) vs. Owen Bruce Rosenblum and First Union Securities, Inc. n/k/a/ Wachovia Securities, Inc. (Respondents)

Case Number: 03-03804

Hearing Site: Cleveland, Ohio.

---

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

**REPRESENTATION OF PARTIES**

Claimants Ronald M. Lipson, Trustee Ronald M. Lipson Profit Sharing Plan ("Lipson Profit Sharing Plan"), Ronald M. Lipson ("R.M. Lipson") and Rochelle Lipson ("R. Lipson") hereinafter collectively referred to as ("Claimants"); Roger W. Van Deusen, Esq., Van Deusen & Wagner, LLC, Cleveland, OH.

Respondents Owen Bruce Rosenblum ("Rosenblum") and First Union Securities, Inc. n/k/a/ Wachovia Securities, Inc. ("Wachovia") hereinafter collectively referred to as ("Respondents"); Peter R. Sonderby, Esq., and Nita Kay Richardson, Esq., Ulmer & Berne LLP, Cleveland, OH. Previously represented by Anne W. Larkin, Esq., Wachovia Securities, Inc.

**CASE INFORMATION**

Statement of Claim filed on or about: May 22, 2003.

Claimants signed the Uniform Submission Agreement: May 20, 2003.

Statement of Answer filed by Respondents on or about: July 22, 2003.

Rosenblum signed the Uniform Submission Agreement: July 1, 2003.

Wachovia signed the Uniform Submission Agreement: July 21, 2003.

**CASE SUMMARY**

Claimants asserted the following causes of action: violation of section 10(b)5 of the Securities Exchange Act, breach of fiduciary duties, fraud, negligence, gross negligence, breach of contract, and misrepresentation.

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

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$1,847,254.00, punitive damages in amount of \$1,500,000.00, attorneys' fees and all other fees and costs.

Respondents requested dismissal of the Statement of Claim in its entirety, filing and forum fees, costs, attorneys' fees and other further relief, as the Panel deems appropriate. Respondents also requested the expungement of Rosenblum's Central Registration Depository ("CRD") records.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On or about July 8, 2005, the parties notified NASD Dispute Resolution that they settled the case and would submit a Stipulated Award.

The parties agreed have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

### **AWARD**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Claimants' claims are dismissed in their entirety with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Owen Bruce Rosenblum's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Owen Bruce Rosenblum must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. The parties shall bear their own costs, expenses and attorneys' fees.
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 = \$ 600.00

### **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 person at the time of the events giving rise to the dispute. Accordingly, First Union Securities n/k/a Wachovia is a party.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00
Total Member fees	= \$ 8,550.00

### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

September 8, 9 and 10, 2004, adjournment by Claimants and Respondents = Waived

### **Three-Day Cancellation Fees**

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

July 11, 12, and 13, 2005 – settled by parties	= \$ 300.00
Claimants' share	= \$ 150.00
Respondents' share	= \$ 150.00

### **Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Three (3) Pre-hearing sessions with Panel @ \$1,200.00 per session	= \$ 3,600.00
Pre-hearing conferences:	
January 14, 2004	1 session
January 29, 2004	1 session
March 10, 2005	1 session

---

Total Forum Fees	= \$ 3,600.00
------------------	---------------

1. The Panel assessed one half of the forum fees for the January 14, 2004 conference call in the amount of \$600.00 jointly and severally against Claimants.
2. The Panel assessed one half of the forum fees for the January 14, 2004 conference call in the amount of \$600.00 jointly and severally against Respondents.
3. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimant Lipson Profit Sharing Plan is assessed \$480.00 of the remaining forum fees.
4. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimant R.M. Lipson is assessed \$480.00 of the remaining forum fees.
5. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimant R. Lipson is assessed \$480.00 of the remaining forum fees.
6. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondent Rosenblum is assessed \$480.00 of the remaining forum fees.

7. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondent Wachovia is assessed \$480.00 of the forum fees.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	= \$ 600.00
Total Fees	= \$ 1,350.00
<u>Less payments</u>	= \$ 1,350.00
Balance Due Claimants	= \$ 0.00

2. Claimant Lipson Profit Sharing Plan is solely liable for:

<u>Forum Fees</u>	= \$ 480.00
Total Fees	= \$ 480.00
<u>Less Payments</u>	= \$ 450.00
Balance Due NASD Dispute Resolution	= \$ 30.00

3. Claimant R.M. Lipson is solely liable for:

<u>Forum Fees</u>	= \$ 480.00
Total Fees	= \$ 480.00
<u>Less Payments</u>	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$ 480.00

4. Claimant R. Lipson is solely liable for:

<u>Forum Fees</u>	= \$ 480.00
Total Fees	= \$ 480.00
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 480.00

5. Respondent Wachovia is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	= \$ 480.00
Total Fees	= \$ 9,030.00
<u>Less payments</u>	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 480.00

6. Respondents Rosenblum and Wachovia are jointly and severally liable for:

Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	= \$ 600.00
Total Fees	= \$ 750.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 750.00

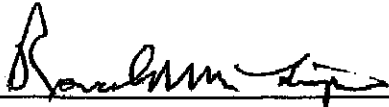
7. Respondent Rosenblum is solely liable for:

<u>Forum Fees</u>	= \$ 480.00
-------------------	-------------

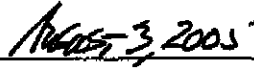
Total Fees	= \$	480.00
<u>Less Payments</u>	= \$	<u>00.00</u>
Balance Due NASD Dispute Resolution	= \$	480.00

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

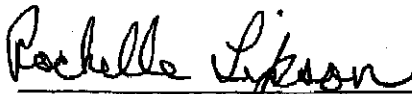
**Parties' Signatures**



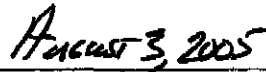
Ronald M. Lipson, individually,  
jointly, and as Trustee of the  
Ronald M. Lipson Profit Sharing Plan  
Claimant



Signature Date



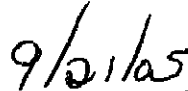
Rochelle Lipson, individually and  
jointly  
Claimant



Signature Date



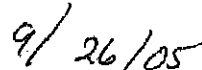
Wachovia Securities Inc.  
Respondent



Signature Date



Owen Bruce Rosenblum  
Respondent

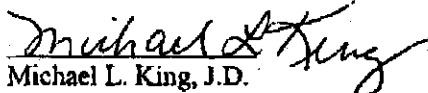


Signature Date

**ARBITRATION PANEL**

Michael L. King, J.D.	- Public Arbitrator, Presiding Chairperson
Ellen Holland Keller, J.D.	- Public Arbitrator
Brian M. Eisenberg, Esq.	- Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
Michael L. King, J.D.  
Public Arbitrator, Presiding Chairperson

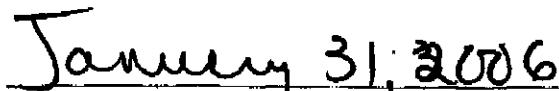
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Ellen Holland Keller, J.D.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Brian M. Eisenberg, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

  
Date of Service (For NASD Dispute Resolution use only)

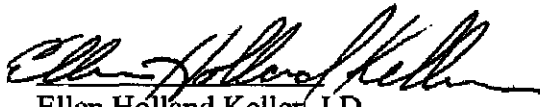
**ARBITRATION PANEL**

Michael L. King, J.D.	- Public Arbitrator, Presiding Chairperson
Ellen Holland Keller, J.D.	- Public Arbitrator
Brian M. Eisenberg, Esq.	- Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Michael L. King, J.D.  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Ellen Holland Keller, J.D.  
Public Arbitrator

12-23-05  
Signature Date

\_\_\_\_\_  
Brian M. Eisenberg, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

January 31, 2006  
Date of Service (For NASD Dispute Resolution use only)



**ARBITRATION PANEL**

Michael L. King, J.D.	- Public Arbitrator, Presiding Chairperson
Ellen Holland Keller, J.D.	- Public Arbitrator
Brian M. Eisenberg, Esq.	- Non-Public Arbitrator

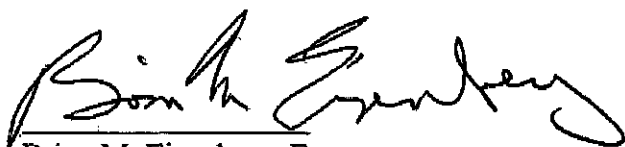
**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Michael L. King, J.D.  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Ellen Holland Keller, J.D.  
Public Arbitrator

\_\_\_\_\_  
Signature Date



Brian M. Eisenberg, Esq.  
Non-Public Arbitrator

12-21-05  
Signature Date

January 31, 2006  
Date of Service (For NASD Dispute Resolution use only)