

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Joseph E. Manos, Claimant v. Wachovia Securities, LLC, Terry L. Chase, Damon Daniels, and Christine A. Feldpausch, Respondents

Wachovia Securities, LLC, Counter-Claimant v. Joseph E. Manos, Counter-Respondent

Case Number: 03-04433

Hearing Site: Las Vegas, Nevada

Nature of the Dispute: Associated Person v. Member, Associated Persons, and Unassociated Person

Member v. Associated Person

REPRESENTATION OF PARTIES

For Claimant / Counter-Respondent

Joseph E. Manos ("Manos"):

Matthew R. Rutherford, Esq.
Law Offices of Matthew R. Rutherford
Lemon Grove, California

John P. Cione, Esq.
Law Offices of John P. Cione
Solana Beach, California

For Respondent / Counter-Claimant
Wachovia Securities, LLC ("Wachovia ")
and Respondents Terry L. Chase,
Damon Daniels, and
Christine A. Feldpausch:

Bruce Lewitas, Esq.
Lewitas & Associates
Chicago, Illinois

CASE INFORMATION

Initial Statement of Claim filed: June 17, 2003

Amended Statement of Claim filed: April 30, 2004

Claimant's Uniform Submission Agreement signed: August 13, 2003

Initial Statement of Answer and Counterclaim filed by Wachovia Securities, LLC:
October 6, 2003

Motion to Dismiss filed by Respondents Terry L. Chase, Damon Daniels, and Christine A. Feldpausch: October 6, 2003

Amended Answer to Claimant's Amended Statement of Claim filed by Wachovia Securities, LLC: May 17, 2004

Statement of Answer to Claimant's Amended Statement of Claim filed by Respondents Terry L. Chase, Damon Daniels, and Christine A. Feldpausch: May 17, 2004

Statement of Answer to Counterclaim filed by Joseph E. Manos: November 3, 2003

Amended Statement of Answer to Counterclaim filed by Joseph E. Manos:
June 23, 2004

Wachovia Securities, LLC's Uniform Submission Agreement signed:
November 6, 2003

Christine A. Feldpausch's Uniform Submission Agreement signed: November 13, 2003

CASE SUMMARY

Manos' Initial Statement of Claim alleged wrongful discharge, infliction of emotional distress, and defamation. Manos' Amended Statement of Claim set forth additional facts regarding his claims, and brought the additional allegation of violation of NASD and NYSE rules and regulations.

Wachovia denied the allegations of wrongdoing set forth in Manos' Initial and Amended Statements of Claim and filed Initial and Amended Counterclaims alleging breach of two promissory notes.

Manos denied the allegations of wrongdoing set forth in Wachovia's Initial and Amended Counterclaims.

Respondents Terry L. Chase, Damon Daniels, and Christine A. Feldpausch denied the allegations of wrongdoing set forth in Manos' Amended Statement of Claim.

RELIEF REQUESTED

Manos' Initial and Amended Statements of Claim requested \$1,000,000.00 in compensatory damages, unspecified punitive damages, expungement of defamatory language from Manos' Form U-5, and costs, including attorney's fees and expert fees.

Wachovia's Initial and Amended Statements of Answer requested dismissal of Manos' claims in their entirety, and costs, including attorney's fees.

Respondents Terry L. Chase, Damon Daniels, and Christine A. Feldpausch requested dismissal of Joseph E. Manos' claims in their entirety.

Wachovia's Initial and Amended Statements of Counterclaim requested repayment of outstanding principal due on two promissory notes in the combined amount of \$88,254.00, interest, and costs, including attorney's fees.

Manos' Initial and Amended Statements of Answer requested dismissal of Wachovia's Initial and Amended Counterclaims in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On October 6, 2003, Respondents Terry L. Chase, Damon Daniels, and Christine A. Feldpausch filed a Motion to Dismiss. On November 3, 2003, Manos filed an Opposition to the Motion to Dismiss. On November 19, 2003, Terry L. Chase, Damon Daniels, and Christine A. Feldpausch filed a Reply in Support of their Motion to Dismiss. On March 30, 2004, the Panel held a telephonic pre-hearing conference with the parties to hear oral argument. After due consideration, the Panel denied the Motion to Dismiss and ordered Manos to file an Amended Statement of Claim consistent with the requirements of the NASD Code of Arbitration Procedure ("Code") Rule 10314. On April 30, 2004, Manos filed an Amended Statement of Claim.

Terry L. Chase did not file with NASD Dispute Resolution a properly executed submission agreement, but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

Respondent Damon Daniels did not file with NASD Dispute Resolution a properly executed submission agreement and is not required to submit to arbitration pursuant to the Code of Arbitration Procedure. Claimant dismissed Respondent Damon Daniels with prejudice during the first day of the hearing. Therefore, the Panel finds that it is a moot issue as to whether or not Mr. Daniels is bound by the determination of the Panel.

On May 8, 2006, Manos dismissed Respondents Terry L. Chase, Damon Daniels, and Christine A. Feldpausch with prejudice.

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

- 1) Respondent Wachovia Securities, LLC is liable to and shall pay Joseph E. Manos the sum of \$60,000.00 in compensatory damages.
- 2) Wachovia Securities, LLC's Counterclaim is denied in its entirety.
- 3) Respondent Wachovia Securities, LLC is liable to and shall pay Joseph E. Manos the sum of \$1,988.00 as reimbursement of costs.
- 4) Respondent Wachovia Securities, LLC is liable to and shall pay Joseph E. Manos the sum of \$40,000.00 in attorney's fees charged by Matthew R. Rutherford, pursuant to contract and case law.
- 5) Respondent Wachovia Securities, LLC is liable to and shall pay Joseph E. Manos the sum of \$14,000.00 in attorney's fees charged by John P. Cione, pursuant to contract and case law.
- 6) Except as awarded in paragraphs 3, 4, and 5, the parties shall bear their respective costs, including attorney's fees.
- 7) The Panel recommends expungement of the following language from Joseph E. Manos' Form U-5, Section 3, filed on February 24, 2003 by Wachovia Securities, LLC and maintained by the NASD Central Registration Depository ("CRD"): "Failure to adhere to firm anti-money laundering reporting policy." After expungement of this language, the Panel recommends the explanation for reason for termination to be stated as follows: "Sold stock in a restricted account." Pursuant to NASD Notice to Members 99-09 and 99-54, Joseph E. Manos must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 8) 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	= \$ 375.00
Wachovia Securities, LLC's Counterclaim filing fee	= \$ 1,000.00

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 Wachovia Securities, LLC is a party and the following fees are assessed:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 4,000.00
Total Member Fees	= \$ 7,000.00

Adjournment Fees

The following adjournment fees are assessed:

October 5-7, 2004 hearing adjournment requested by Joseph E. Manos	= \$ 1,200.00
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June 20-23, 2005 hearing adjournment requested by Wachovia Securities, LLC, Terry L. Chase, Damon Daniels, and Christine A. Feldpausch	= \$ 1,200.00
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1. The Panel waived \$1,200.00 of the adjournment fees.
2. The Panel assessed \$1,200.00 of the adjournment fees jointly and severally to Wachovia Securities, LLC, Terry L. Chase, Damon Daniels, and Christine A. Feldpausch.

Forum Fees and Assessments

The Panel 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 arbitrator(s), including a pre-hearing conference with the arbitrator(s) that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing conference session with one arbitrator @ \$450.00/session = \$ 450.00
Pre-hearing conferences: September 3, 2004 1 session

5 Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$ 6,000.00
Pre-hearing conferences: September 21, 2003 1 session
January 20, 2004 1 session
March 30, 2004 1 session
September 21, 2004 1 session
July 6, 2006 1 session

10 Hearing sessions @ \$1,200.00/session = \$12,000.00
Hearings: May 8, 2006 2 sessions
May 9, 2006 2 sessions
May 10, 2006 2 sessions
July 19, 2006 2 sessions
July 20, 2006 2 sessions

Total Forum Fees = \$18,450.00

The Panel assessed the entire balance of the forum fees, in the amount of \$18,450.00 to Wachovia Securities, LLC.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Joseph E. Manos requested 6 copies of audio transcripts
@ \$15.00 each: =\$ 90.00

Wachovia Securities, LLC, Terry L. Chase, Damon Daniels,
and Christine A. Feldpausch requested 7 copies of audio
transcripts @ \$15.00 each: =\$ 105.00

Fee Summary

1. Joseph E. Manos is charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Administrative Costs	= \$ 90.00
Total Fees	= \$ 465.00
Less payments	= \$(1,665.00)
Refund Due from NASD Dispute Resolution	= \$(1,200.00)

2. Wachovia Securities, LLC is charged with the following fees and costs:

Counterclaim Filing Fee	= \$ 1,000.00
Member Fees	= \$ 7,000.00
Forum Fees	= \$18,450.00
Total Fees	= \$26,450.00
Less payments	= \$ (8,750.00)
Balance Due NASD Dispute Resolution	= \$17,700.00

3. Wachovia Securities, LLC, Terry L. Chase, Damon Daniels, and Christine A.

Feldpausch are charged jointly and severally with the following fees and costs:

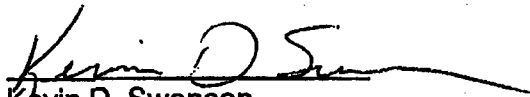
Adjournment Fee	= \$ 1,200.00
Administrative Costs	= \$ 105.00
Total Fees	= \$ 1,305.00
Less payments by Wachovia Securities, LLC	= \$(1,305.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

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

Kevin D. Swenson	-	Public Arbitrator, Presiding Chair
John G. Manley	-	Public Arbitrator
James B. Vessey	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Kevin D. Swenson
Chair, Public Arbitrator

09-07-06
Signature Date

John G. Manley
Public Arbitrator

Signature Date

James B. Vessey
Non-Public Arbitrator

Signature Date

9/8/06
Date of Service