

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Joseph Esposito (Claimant) v. Wachovia Securities Financial Network, Inc.
(Respondent)

Case Number: 04-00103

Hearing Site: New York, New York

Nature of the Dispute: Associated Person v. Member.

REPRESENTATION OF PARTIES

Claimant Joseph Esposito hereinafter referred to as "Claimant": David B. Wechsler, Esq., and Debora A. Pitman, Esq., Wechsler & Cohen, LLP, New York, NY.

Respondent Wachovia Securities Financial Network, Inc., hereinafter referred to as "Respondent": Victor A. Machcinski, Jr., Esq., Krebsbach & Snyder, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 7, 2004.

Claimant signed the Uniform Submission Agreement: January 7, 2004.

Statement of Answer filed by Respondent on or about: April 30, 2004.

Respondent signed the Uniform Submission Agreement: May 20, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: defamation; prima facie tort; breach of express and/or implied contract; and, negligence.

Unless specifically admitted in its Answer, Respondent denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$500,000, expungement of Claimant's Form U-5, attorneys' fees, costs and disbursements, punitive damages, and such other relief as is deemed appropriate by the Panel.

Respondent requested dismissal of the Statement of Claim in its entirety plus costs,

and such other relief as is deemed appropriate by the Panel.

OTHER ISSUES CONSIDERED AND DECIDED

On or about October 23, 2006, the parties entered into a confidential settlement agreement and agreed to submit this Stipulated Award to the Panel for review and signature.

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

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, and their written stipulation concerning the terms of the award, the Panel grants the motion and enters this award granting the following relief:

1. Claimant and Respondent have entered into a confidential settlement agreement (the "Agreement").
2. Based on the nature of the information contained in the Form U-5 filed by Respondent concerning Claimant (alleged but not conceded to be defamatory) and any related Disclosure Reporting Pages and/or Registration Comments submitted to the NASD by Respondent and/or otherwise contained in the Central Registration Depository ("CRD") System (the "NASD Filings") (see NASD Notice to Members 99-54 dated July 1999), the Panel recommends the expungement of the Form U-5 filed by Wachovia concerning Claimant and that a replacement Form U-5 be issued in its place stating, in Section 3 thereof entitled Full Termination, in the line entitled Reason for Termination, the word "Other", with the following explanation inserted: "Underlying Form U-4 mistakenly filed; Mr. Esposito never actually joined and became an employee of Wachovia," without stating a further reason or explanation for Claimant's termination. Consistent with the prior NASD Filings, the new, replacement Form U-5 shall contain "No" answers to all Disclosure Questions in Section 7 thereof.
3. The parties shall bear the NASD's charges as set out in the parties' Agreement.
4. All claims against Respondent are dismissed. However, in recognition of the fact that the parties shall, only if necessary, be jointly seeking confirmation of the Award by a court of competent jurisdiction in order to implement the Award and thereafter, if necessary, submit/file the court's Order/Judgment confirming the Award to/with the NASD for implementation by the NASD, this NASD arbitration

shall be adjourned *sine die* and the Arbitration Panel not disbanded until: (i) the expungement recommended herein is enacted by the NASD, which the parties shall expeditiously seek and fully cooperate with each other (and the court and the NASD) in order to effectuate; (ii) Claimant opts, pursuant to the terms of the parties' Agreement, to reinstate this matter for an evidentiary hearing, if necessary, due to a failure by a Court to confirm this Award, and the arbitration needs to be rescheduled for hearing; or (iii) Claimant gives written notice to the NASD and Wachovia that he waives enactment of the expungement by the NASD.

5. Claimant shall promptly notify the NASD in writing when the expungement recommended herein is enacted by the NASD. Upon such notification, or upon written notice by Claimant to the NASD that he waives enactment of the expungement by the NASD, all claims against Respondent shall be dismissed with prejudice.
6. In the event there are any issues pertaining to effectuation of this Stipulated Award, the parties are directed to immediately contact the NASD who shall in turn contact the Chairperson of the Arbitration Panel.
7. Any and all relief not specifically addressed herein are 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
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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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, Wachovia Securities Financial Network, Inc., is a party.

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

Adjournment Fees

The following adjournment fees are assessed:

February 2, 3, 4, 2005, adjournment requested by the parties

Claimant's share = Waived

Respondent's share = Waived

January 10, 11, 12, 2006, adjournment requested by Claimant = \$ 1,125.00

Claimant's share = \$1,125.00

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:

February 2, 3, and 4, 2005, adjournment requested by the parties = \$ 300.00

Claimant's share = \$150.00

Respondent's share = \$150.00

January 10, 11, and 12, 2006, adjournment requested by Claimant = \$ 300.00

Claimant's share = \$ 300.00

October 24, 25, 26 and 27, 2006 settlement by the parties = \$ 300.00

Claimant's share = \$150.00

Respondent's share = \$150.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with a single arbitrator @\$450.00 = \$ 900.00

Pre-hearing conferences: July 22, 2004 1 session

January 28, 2005 1 session

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00 = \$ 2,250.00

Pre-hearing conferences: June 16, 2004 1 session

February 8, 2006 1 session

Total Forum Fees = \$ 3,150.00

1. The Panel has assessed \$1,575.00 of the forum fees against the Claimant.
2. The Panel has assessed \$1,575.00 of the forum fees against the Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Three-day cancellation fees	= \$ 600.00
Forum Fees	= \$ 1,575.00
Total Fees	= \$ 3,600.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 2,175.00

Pursuant to Rule 10308 of the Code of Arbitration Procedure, NASD shall retain \$1,125.00 hearing session deposit because this case settled within eight days of the first scheduled hearing.

2. Respondent is solely liable for:

Member Fees	= \$ 5,200.00
Three-day cancellation fees	= \$ 300.00
Forum Fees	= \$ 1,575.00
Total Fees	= \$ 7,075.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 1,875.00


All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 1033(g) of the Code.

ARBITRATION PANEL

Martin Fogelman, Esq.	-	Public Arbitrator, Presiding Chair
Mona N. Glanzer	-	Public Arbitrator
Thomas Caiaffa	-	Industry 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.



Martin Fogelman, Esq.
Public Arbitrator, Presiding Chair

11/24/06

Signature Date

Mona N. Glanzer
Public Arbitrator

Signature Date

Thomas Caiaffa
Industry Arbitrator

Signature Date

December 11, 2006
Date of Service (For NASD office use only)

ARBITRATION PANEL

Martin Fogelman, Esq.	-	Public Arbitrator, Presiding Chair
Mona N. Glanzer	-	Public Arbitrator
Thomas Caiaffa	-	Industry Arbitrator

Concurring Arbitrators' Signatures

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Martin Fogelman, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Mona N. Glanzer
Public Arbitrator

Signature Date


Thomas Caiaffa
Industry Arbitrator

11/16/06
Signature Date

December 11, 2006
Date of Service (For NASD office use only)

ARBITRATION PANEL

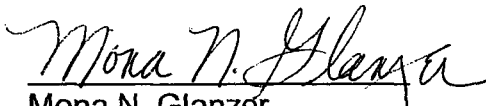
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Martin Fogelman, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Mona N. Glanzer
Public Arbitrator

11-21-06
Signature Date

Thomas Caiaffa
Industry Arbitrator

Signature Date

December 11, 2006

Date of Service (For NASD office use only)