

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Wachovia Securities, LLC

Case Number: 04-00860

Name of the Respondent
Robert P. Schulte, Jr.

Hearing Site: Philadelphia, PA

Nature of the Dispute: Member vs. Associated Person

REPRESENTATION OF PARTIES

Claimant, Wachovia Securities, LLC, hereinafter referred to as "Claimant", was represented by Jonathan E. Levine, Esq., Law Offices of Daniel S. Fiore, Arlington, Virginia.

Respondent, Robert P. Schulte, Jr., hereinafter referred to as "Respondent", was not represented by counsel and did not appear at the hearing.

CASE INFORMATION

Statement of Claim filed on February 11, 2004.
Claimant filed an undated Uniform Submission Agreement on February 11, 2004.
Motion to Preclude Answer filed by Wachovia on April 22, 2004.
Motion for Default Award filed on May 11, 2004.

Statement of answer and counterclaim filed by Respondent on May 6, 2004.

CASE SUMMARY

Claimant asserted the following cause of action: breach of promissory note. The cause of action relates to Respondent's employment with Claimant.

Unless specifically admitted in his answer, Respondent denied the allegations made in the Statement of Claim and asserted a counterclaim for negligence.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$40,000.00
Interest accrued as of June 17, 2003	\$ 1,416.67
Interest after June 17, 2003 until note paid	rate of 4.25% per annum

Attorneys' Fees
Costs

amount unspecified
amount unspecified

Respondent requested that the Claimant's action be delay or dismissed and that he be awarded one hundred fifty thousand dollars (\$150,00.00) in compensatory damages from Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of Claimant, the undersigned Arbitrator determined that Respondent has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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

On or about August 17, 2004, the Arbitrator denied Claimant's Motion for Default Award and deferred ruling on Claimant's Motion to Preclude Answer.

At the hearing on the merits, Claimant reintroduced its Motion to Preclude Answer. The Arbitrator deferred a decision at the hearing but denies said Motion as a part of this Award.

Respondent's counterclaim for negligence in the amount of \$150,000.00 was deficient and thus, not considered by the Arbitrator.

AWARD

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

1. Respondent is liable to and shall pay to Claimant forty thousand dollars (\$40, 000.00) in compensatory damages plus four and one fourth percent (4 ¼ %) simple interest from September 20, 2002 until July 12, 2005;
2. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
3. Any and all relief not specifically addressed herein is denied in its entirety.

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	= \$1,000.00
Counterclaim	= waived

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, Wachovia is a party.

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,000.00

Forum Fees and Assessments

The Arbitrator has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator 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: September 16, 2004 1 session	

One (1) Hearing session @ \$450.00	= \$450.00
Hearing Date: July 12, 2005 1 session	

Total Forum Fees	= \$900.00
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1. The Arbitrator has assessed \$225.00 of the forum fees to Claimant.
2. The Arbitrator has assessed \$450.00 of the forum fees to Respondent.
3. NASD Dispute Resolution has waived \$225.00 of the forum fees.

Fee Summary

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$1,000.00
Forum Fee	= \$ 225.00
Member Fees	= \$2,625.00
Total Fees	= \$3,850.00
Less payments	= \$4,075.00
Refund paid by NASD Dispute Resolution	= \$ 225.00

2. Respondent is assessed and shall pay:

Forum Fees	= \$ 450.00
Total Fees	= \$ 450.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 450.00


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

SOLE ARBITRATOR

Alan M. Schankel

- Non-Public Arbitrator, Presiding

Arbitrator's Signature



Alan M. Schankel
Non-Public Arbitrator, Presiding

Date

7/27/05
Date of Service (For NASD Dispute Resolution office use only)