

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Wachovia Securities, Inc.

Case Number: 04-01007

Names of the Respondents
Uzo O. Chima
SunTrust Securities, Inc.

Hearing Site: Washington, D.C.

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

REPRESENTATION OF PARTIES

Claimant, Wachovia Securities, Inc. ("Wachovia"), hereinafter referred to as "Claimant", was represented by John MacDonald, Esq., Stark & Stark, Princeton, New Jersey.

Respondents, Uzo O. Chima ("Chima") and SunTrust Securities, Inc. ("SunTrust"), hereinafter collectively referred to as "Respondents", were represented by Vernon W. Johnson, III, Esq., Jackson & Campbell, P.C., Washington, D.C.

CASE INFORMATION

Statement of Claim filed on February 11, 2004.

A representative of Claimant signed an undated Uniform Submission Agreement.

Joint Statement of Answer filed by Respondents on June 10, 2004.

Respondent Chima filed a Counterclaim on June 10, 2004.

Respondent Chima filed an Amended Counterclaim on July 6, 2004.

Claimant filed an Answer to the Counterclaim on August 17, 2004.

Respondent Chima signed the Uniform Submission Agreement on May 14, 2004.

A representative of Respondent SunTrust executed the Uniform Submission Agreement on May 19, 2004.

Respondents filed a Motion to Dismiss, or in the Alternative, for Summary Judgment on January 18, 2005.

Claimant filed a Brief in Opposition to Motion to Dismiss on February 1, 2005.

CASE SUMMARY

Claimant asserted the following causes of action, among others: breach of fiduciary duty, acting in concert and conspiracy to induce the breach of fiduciary duty, unfair competition and tortious interference with contractual and business relations, misappropriation and conversion of trade secrets, and breach of contract. The causes of action relate to Respondent Chima's alleged

activities with regards to confidential and proprietary client information prior to his resignation from Claimant and subsequent employment with Respondent SunTrust.

Unless specifically admitted in their Answer and Amended Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: waiver and/or estoppel, unclean hands, the Statement of Claim fails to state a claim for which relief can be granted, failure to mitigate damages, failure of consideration, failure of conditions precedent, laches, and the equitable maxim that one "who seeks equity must do equity".

In his Counterclaim Respondent Chima asserted the following causes of actions: unjust enrichment, *quantum meruit*, and breach of contract. Respondent Chima amended his Counterclaim to include a further count of trover and conversion.

Unless specifically admitted in its Answer to the Counterclaim, Claimant denied the allegations made in the Counterclaim and asserted the following defenses, among others: the Counterclaim is barred by equitable defenses and by the doctrines of estoppel, waiver and laches; Respondent Chima's Counterclaim fails to stat a cause of action upon which relief may be granted; the Counterclaims are barred by the doctrine of accord and satisfaction and by the doctrine of ratification..

RELIEF REQUESTED

Claimant in its Statement of Claim requested:

Compensatory Damages	\$500,000.00
Punitive Damages	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Claimant also requested an Order directing Respondents to return all proprietary information and documents.

Respondents in their Statement of Answer and Amended Statement of Answer requested that Claimant's claims be denied in their entirety and that Respondents be awarded attorneys' fees and costs.

In his Counterclaim and Amended Counterclaim, Respondent Chima requested compensatory damages in the amount of \$13,000.00 plus treble damages, attorneys' fees, interest, and costs. Respondent Chima also requested \$1,500.00 as the value of certain personal property left at Wachovia's offices.

OTHER ISSUES CONSIDERED AND DECIDED

By Order dated February 15, 2005 the Arbitration Panel (the "Panel") denied Respondents' Motion to Dismiss or, in the Alternative, for Summary Judgment.

At the conclusion of Claimant's case in chief, Respondents moved for judgment, and separately,

for judgment on Claimant's request for punitive damages. The Panel denied the Motion for Judgment on Claimant's entire claim but granted judgment on the issue of punitive damages.

The Panel orders Claimant's representative to conduct a search of Claimant's offices for personal property left by Respondent Chima, and if such property is located, to return it to Respondent Chima.

The parties have 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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Chima is liable to and shall pay to Claimant compensatory damages in the amount of \$95,000.00, plus interest at 10% *per annum* on that amount. Interest shall be calculated on a simple basis and shall accrue from thirty days after service of the Award through the date the Award is paid in full;
2. Respondent Chima's Counterclaim is denied as to all monetary claims;
3. All claims for punitive damages are denied in their entirety;
4. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
5. 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
Counter claim filing fee	= \$ 175.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Wachovia and SunTrust are parties.

Respondent Wachovia's Member Fees:

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00

Hearing process fee	= \$2,750.00
Total Member Fees	= \$5,200.00

Respondent SunTrust's Member Fees:

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00
Total Member Fees	= \$5,200.00

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: January 26, 2005 1 session	
Two (2) Pre-hearing sessions with Panel @ \$ 1,125.00	= \$2,250.00
Pre-hearing conferences: September 21, 2004 1 session	
February 15, 2005 1 session	
Four (4) Hearing sessions @ \$1,125.00	= \$4,500.00
Hearing Dates: March 14, 2005 2 sessions	
March 15, 2005 2 sessions	
Total Forum Fees	= \$7,200.00

1. The Panel has assessed \$3,600.00 of the forum fees to Claimant.
2. The Panel has assessed \$3,600.00 of the forum fees jointly and severally to Respondents .

EEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00
Forum Fees	= \$3,600.00
Total Fees	= \$9,800.00
Less payments	= \$7,325.00
Balance Due NASD Dispute Resolution	= \$2,475.00

2. Respondent SunTrust is assessed and shall pay the following fees:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 00.00

3. Respondents are jointly and severally assessed and shall pay the following fees:

<u>Forum Fees</u>	= \$3,600.00
<u>Total Fees</u>	= \$3,600.00
<u>Less payments</u>	= \$1,750.00
<u>Balance Due NASD Dispute Resolution</u>	= \$1,850.00

4. Respondent Chima is assessed and shall pay the following fees:

<u>Counterclaim filing fee</u>	= \$ 175.00
<u>Total Fees</u>	= \$ 175.00
<u>Less payments</u>	= \$ 00.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 175.00

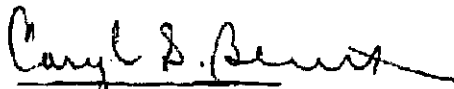
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Caryl S. Bernstein, Esq.	-	Public Arbitrator, Presiding Chairperson
Edward M. Statland, Esq.	-	Public Arbitrator, Panelist
Bonnie K. Wachtel, Esq	-	Non-Public Arbitrator, Panelist

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Concurring Arbitrators' Signatures


Caryl S. Bernstein, Esq.
Public Arbitrator, Presiding Chairperson

March 23, 2005
Signature Date

Edward M. Statland, Esq.
Public Arbitrator, Panelist

Signature Date

Bonnie K. Wachtel, Esq.
Non-Public Arbitrator, Panelist

Signature Date

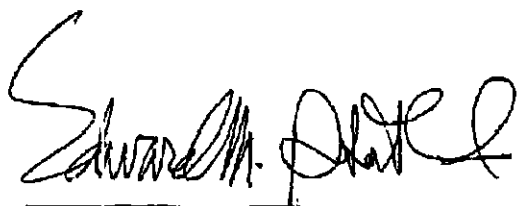
3/24/05
Date of Service (For NASD Dispute Resolution office use only)

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Concurring Arbitrators' Signatures

Caryl S. Bernstein, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Edward M. Statland, Esq.
Public Arbitrator, Panelist

3-23-05

Signature Date

Bonnie K. Wachtel, Esq.
Non-Public Arbitrator, Panelist

Signature Date

3/24/05

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Caryl S. Bernstein, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Edward M. Statland, Esq.
Public Arbitrator, Panelist

Signature Date

Bonnie K. Wachtel
Bonnie K. Wachtel, Esq.
Non-Public Arbitrator, Panelist

3-22-05
Signature Date

3/24/05

Date of Service (For NASD Dispute Resolution office use only)