

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Leonard E. Bellinson, Individually and as Trustee of the Leonard E. Bellinson Trust Dated December 6, 1982 and Eleanor Bellinson, Individually as a Trust Beneficiary, Claimants v. Wachovia Securities, LLC, Round Hill Securities, Inc., and Wachovia Securities Financial Network, LLC, Respondents

Case Number: 04-02295

Hearing Site: San Diego, California

Nature of the Dispute: Customers v. Members

REPRESENTATION OF PARTIES

For Claimants:

Erwin J. Shustak, Esq.
Shustak Jalil & Heller
San Diego, California

For Respondent Wachovia Securities, LLC:

Terry Ross, Esq.
Gregory E. Copeland, Esq.
Keesal, Young & Logan
Long Beach, California

For Respondent Round Hill Securities, Inc.:

Jeffrey K. Compton, Esq.
Markun Zusman & Compton LLP
Pacific Palisades, California

For Respondent Wachovia Securities Financial
Network, LLC:

Michael J. Abbott, Esq.
Jones, Bell, Abbott, Fleming &
Fitzgerald L.L.P.
Los Angeles, California

CASE INFORMATION

Statement of Claim filed on or about: March 25, 2004

Claimants' Joint Uniform Submission Agreement signed: March 16, 2004

Statement of Answer filed by Respondent Wachovia Securities, LLC: June 1, 2004

Respondent Wachovia Securities, LLC's Uniform Submission Agreement signed: June 9, 2004

Statement of Answer filed by Respondent Round Hill Securities, Inc.: June 16, 2004

Respondent Round Hill Securities, Inc.'s Uniform Submission Agreement signed: April 16, 2004

Respondent Wachovia Securities Financial Network, LLC's Statement of Answer filed:
June 1, 2004

Respondent Wachovia Securities Financial Network, LLC's Amended Statement of Answer filed:
July 28, 2004

Respondent Wachovia Securities Financial Network, LLC's Uniform Submission Agreement
signed: May 13, 2004

CASE SUMMARY

Claimants alleged negligence, breach of contract, breach of fiduciary duty, negligent misrepresentation, fraud, statutory securities fraud, and violation of California's Elder Abuse Act. The dispute involved unspecified securities.

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

RELIEF REQUESTED

Claimants requested compensatory damages in excess of \$2,000,000.00, unspecified punitive damages, pre-judgment interest, attorney's fees, arbitration costs and disbursements, and damages pursuant to the California Elder Abuse Act.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety and costs. Additionally, Respondent Round Hill Securities, Inc. requested attorney's fees and that any reference to this matter be expunged from their CRD records.

OTHER ISSUES CONSIDERED AND DECIDED

On April 21, 2004, Claimants and Claimants' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On June 16, 2004, Respondent Round Hill Securities, Inc.'s counsel signed a Waiver Agreement on Respondent's behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimants shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On July 28, 2004, Respondent Wachovia Securities Financial Network, LLC filed a Motion to File an Amended Statement of Answer. On July 30, 2004, Respondent Round Hill Securities, Inc. filed a statement of non-opposition to Respondent Wachovia Securities Financial Network, LLC Motion to File an Amended Statement of Answer. On August 12, 2004, Claimants filed a statement of non-opposition to Respondent Wachovia Securities Financial Network, LLC Motion to File an Amended Statement of Answer. On August 17, 2004, the Panel granted Respondent Wachovia Securities Financial Network, LLC Motion to File an Amended Statement of Answer.

On March 7, 2005, NASD Dispute Resolution received notice that Claimants settled with Respondents Wachovia Securities, LLC and Round Hill Securities, Inc.

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

- 1) Claimants' claims against Wachovia Securities Financial Network, LLC are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code of Arbitration Procedure ("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	= \$ 500.00
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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.

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

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

The member firm Round Hill Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

The member firm Wachovia Securities Financial Network, LLC is a party and the following fees are assessed:

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference: July 28, 2004 1 session	
Four (4) Hearing sessions @ \$1,200.00/session	= \$ 4,800.00
Hearings: March 15, 2005 2 sessions	
March 16, 2005 2 sessions	
Total Forum Fees	= \$ 6,000.00

1. The Panel assessed \$3,000.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$2,400.00 of the forum fees to Respondent Wachovia Securities Financial Network, LLC.

3. The Panel assessed \$600.00 of the forum fees jointly and severally against Respondents Wachovia Securities, LLC, Round Hill Securities, Inc., and Wachovia Securities Financial Network, LLC.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 3,000.00
Total Fees	= \$ 3,500.00
Less payments	= \$(1,700.00)
Balance Due NASD Dispute Resolution	= \$ 1,800.00

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

Member Fees	= \$ 8,550.00
Less payments	= \$(8,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Round Hill Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
Less payments	= \$(8,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondent Wachovia Securities Financial Network, LLC is charged with the following fees and costs:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 2,400.00
Total Fees	= \$10,950.00
Less payments by Wachovia Securities, LLC	= \$(8,550.00)
Balance Due NASD Dispute Resolution	= \$ 2,400.00

5. Respondents Wachovia Securities, LLC, Round Hill Securities, Inc., and Wachovia Securities Financial Network, LLC are charged jointly and severally with the following fees and costs:

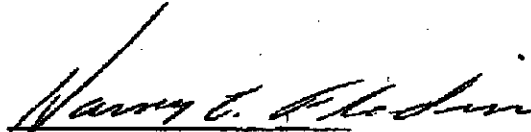
Forum Fees	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 600.00

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

Harvey C. Flodin, Esq.	-	Public Arbitrator, Presiding Chair
Raymond Prazen, Esq.	-	Public Arbitrator
Ronald H. Hammershoy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Harvey C. Flodin, Esq.
Chair, Public Arbitrator

3/17/05
Signature Date

Raymond Prazen, Esq.
Public Arbitrator

Signature Date

Ronald H. Hammershoy
Non-Public Arbitrator

Signature Date

March 17, 2005
Date of Service

ARBITRATION PANEL

Public Arbitrator, Presiding Chair

Public Arbitrator

Non-Public Arbitrator

Harvey C. Flodin, Esq.

Raymond Prazen, Esq.

Ronald H. Hammershoy

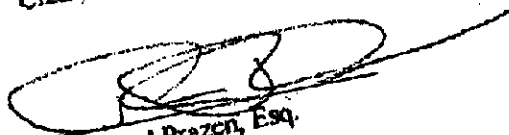
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Chair, Public Arbitrator

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Signature Date



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Public Arbitrator

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Non-Public Arbitrator

March 17, 2005

Date of Service

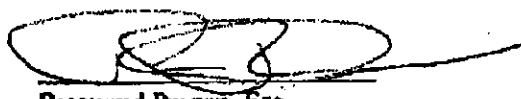
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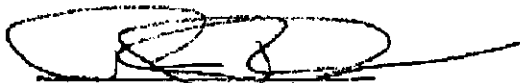
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Signature Date


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Public Arbitrator

3-17-05
Signature Date


Ronald H. Hammershoy
Non-Public Arbitrator

3/18/05
Signature Date

March 17, 2005
Date of Service