
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Lonnie F. Newsome, IRA

Case Number: 04-03343

Name of the Respondent
Wachovia Securities, LLC, f/k/a
First Union Securities, Inc.

Hearing Site: Orlando, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Lonnie F. Newsome, IRA, hereinafter referred to as "Claimant": Adam S. Doner, Esq., Gordon & Doner, P.A., Palm Beach Gardens, Florida.

For Wachovia Securities, LLC, f/k/a First Union Securities, Inc. ("Wachovia"), hereinafter referred to as "Respondent": Andrew R. Park, Esq., Wachovia Securities, LLC, Richmond, Virginia.

CASE INFORMATION

Statement of Claim filed on or about: May 3, 2004.
Claimant signed the Uniform Submission Agreement: November 25, 2003.
Statement of Answer filed by Respondent on or about: July 16, 2004.
Respondent signed the Uniform Submission Agreement: July 16, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: 1) breach of fiduciary duty; 2) unsuitability; 3) failure to supervise; and, 4) fraudulent, intentional or otherwise negligent conduct in violation of Florida Statutes, §517, NASD Rules of Fair Practice and NYSE Rule 405. The causes of action relate to the purchase of various stocks including, but not limited to, Cisco, EMC, JDS Uniphase, Lucent, Nortel and Sun Microsystems in Claimant's account.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$210,000.00, relief pursuant to violation of Florida Statutes, §517 and for interest income and appreciation from a well managed portfolio, costs, expenses and disbursements, including reasonable attorneys' fees and expert witness fees, punitive damages and for such

other and further relief as this Panel deemed just and proper.

Respondents requested that the Statement of Claim be denied and dismissed in its entirety, and an award of any other relief as this Panel deemed just.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be entered in counterpart copies or that a signed handwritten 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:

Respondent is found not liable and all Claimant's claims are denied and dismissed in their entirety.

Each party is to bear their own costs and attorneys' fees.

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages and request for relief pursuant to Florida Statutes, §517, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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. Accordingly, Respondent is a party to this dispute and was a member of NASD at the time the following fees were assessed:

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

Adjournment Fees

No requests for adjournments were filed in this matter.

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:

No cancellation fees were assessed in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred during this proceeding.

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 session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: August 12, 2005 1 session	
One (1) Pre-hearing session with the Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: October 4, 2004 1 session	
Three (3) Hearing sessions with the Panel @ \$1,125.00	= \$3,375.00
Hearing Date: September 13, 2005 3 sessions	
Total Forum Fees	= \$4,950.00

The Panel has assessed the total forum fees of \$4,950.00 to Claimant.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 4,950.00
Total Fees	= \$ 5,250.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 3,825.00

Respondent is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

<i>Thomas Joseph Atkinson, Sr., J.D.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Maurice M. Feller, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Fredrick T.W. Reed</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Thomas Joseph Atkinson, Sr., J.D.
Public Arbitrator, Presiding Chairperson

09/16/05
Signature Date

/s/
Maurice M. Feller, Esq.
Public Arbitrator

09/15/05
Signature Date

/s/
Fredrick T.W. Reed
Non-Public Arbitrator

09/15/05
Signature Date

09/19/05
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
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Respondent is solely liable for:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Thomas Joseph Atkinson, Sr., J.D.
Maurice M. Feller, Esq.
Frederick T. W. Reed

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Consent of Arbitration/Signatures

[Signature]
Thomas Joseph Atkinson, Sr., J.D.
Public Arbitrator, Presiding Chairperson

9-16-05
Signature Date

Maurice M. Feller, Esq.
Public Arbitrator

Signature Date

Frederick T. W. Reed
Non-Public Arbitrator

Signature Date

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

FROM : NASD

FAX NO. : 5614474915

Sep. 15 2005 01:39PM P5

NASD Dispute Resolution
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Respondent is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

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

ARBITRATION PANEL

Thomas Joseph Atkinson, Sr., J.D.
Maurice M. Feller, Esq.
Fredrick T.W. Reed

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-
-

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas Joseph Atkinson, Sr., J.D.
Public Arbitrator, Presiding Chairperson

Signature Date


Maurice M. Feller, Esq.
Public Arbitrator

9-15-05
Signature Date

Fredrick T.W. Reed
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution

Arbitration No. 04-03343

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Respondent is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Thomas Joseph Atkinson, Sr., J.D.

Maurice M. Feller, Esq.

Fredrick T.W. Reed

Public Arbitrator, Presiding Chairperson

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas Joseph Atkinson, Sr., J.D.

Public Arbitrator, Presiding Chairperson

Signature Date

Maurice M. Feller, Esq.

Public Arbitrator

Signature Date

Fredrick T.W. Reed

Fredrick T.W. Reed

Non-Public Arbitrator

Sept 15, 2005

Signature Date

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