

**AWARD**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Claimant

Wachovia Securities, LLC

and

Case Number: 04-04522  
Hearing Site: Troy, Michigan

Respondent

Richard Bonesteel

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**NATURE OF DISPUTE**

Member v. Associated Person

**REPRESENTATION OF PARTIES**

Wachovia Securities, LLC ("Claimant") was represented by Douglas Callaway, Esq., Wachovia Securities, LLC, Richmond, Virginia.

Richard Bonesteel ("Respondent") did not appear

**CASE INFORMATION**

The Statement of Claim was filed on or about June 25, 2004. The Submission Agreement of Wachovia Securities, LLC, was signed on or about June 30, 2004, by Douglas D. Callaway, Vice President and Assistant General Counsel.

Richard Bonesteel did not file a Statement of Answer or Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following cause of action: breach of promissory note. The action was brought by Claimant to recover the balance due pursuant to a promissory note ("the Note") give to a former employee.

**RELIEF REQUESTED**

Claimant requested an award in the amount of the principle due and owing under the Note of \$67,352.77, plus interest accrued during the term of the Note of \$2,671.04, interest from the date of default, collection costs, and any other relief the panel deemed just.

### **OTHER ISSUES CONSIDERED & DECIDED**

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondent, Richard Bonesteel, has been properly served with the Statement of Claim pursuant to Rule 10302 and Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondent, Richard Bonesteel, had received due notice of the hearing as required under Rule 10315 of the Code and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

Respondent, Richard Bonesteel, did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") is bound by the determination of the arbitration panel on all issues submitted.

The party present at the hearing has agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the party has agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

### **AWARD**

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

- 1.) Respondent, Richard Bonesteel, is liable for and shall pay to Claimant, Wachovia Securities, LLC, the sum of \$67,352.77 in damages;
- 2.) Respondent, Richard Bonesteel, is liable for and shall pay to Claimant, Wachovia Securities, LLC, the sum of \$8,970.00 in costs pursuant to the terms of the Note;
- 3.) Respondent, Richard Bonesteel, is liable for and shall pay to Claimant, Wachovia Securities, LLC, the sum of \$6,594.57 in interest pursuant to the terms of the Note;
- 4.) Respondent, Richard Bonesteel, is liable for and shall pay to Claimant, Wachovia Securities, LLC, interest on the amount of \$82,917.34 at the rate of 3.75% per annum from and including the date of service of this Award through and including the date this Award is paid in full pursuant to the terms of the Note;

- 5.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 6.) Any relief not specifically enumerated, including attorneys' fees, is hereby denied with prejudice.

### **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

#### **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, the member firm is Wachovia Securities, LLC.

Member surcharge = \$ 1,100.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 1,700.00

#### **Adjournment Fees**

Adjournments requested during these proceedings:

May 3, 2005, adjournment by Claimant = \$ 750.00

#### **Forum Fees and Assessments**

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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 Panel x \$750.00 = \$ 750.00

Pre-hearing conference: October 22, 2004 1 session

One (1) Hearing session x \$750.00 = \$ 750.00

Hearing Date: July 20, 2005 1 session

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Total Forum Fees = \$ 1,500.00

The Arbitration Panel has assessed \$1,500.00 of the forum fees to Richard Bonesteel.

**Fee Summary**

Claimant, Wachovia Securities, LLC, is liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,550.00
<u>Adjournment Fee</u>	= \$ 750.00
Total Fees	= \$ 5,300.00
<u>Less payments</u>	= \$ 6,050.00
Balance Refunded by NASD Dispute Resolution	= \$ 750.00

Respondent, Richard Bonesteel, is liable for:

<u>Forum Fees</u>	= \$ 1,500.00
Total Fees	= \$ 1,500.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,500.00

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

**ARBITRATION PANEL**

Howard Mark Klausmeier, Esq. - Non-Public Arbitrator, Presiding Chair  
Donald L. Richardson - Non-Public Arbitrator  
Robert A. Vogler - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Howard Mark Klausmeier, Esq.  
Howard Mark Klausmeier, Esq.  
Public Arbitrator, Presiding Chair

07/20/05  
Signature Date

/s/ Donald L. Richardson  
Donald L. Richardson  
Public Arbitrator

07/20/05  
Signature Date

/s/ Robert A. Vogler  
Robert A. Vogler  
Non-Public Arbitrator

07/20/05  
Signature Date

07/20/05  
Date of Service (For NASD office use only)

NASD Dispute Resolution  
Arbitration No. 04-04522  
Award Page 4 of 4Fee Summary

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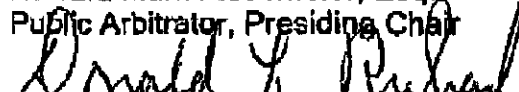
Respondent, Richard Bonesteel, is liable for:

Forum Fees	= \$ 1,500.00
Total Fees	= \$ 1,500.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,500.00

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

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Concurring Arbitrators:

  
Howard Mark Klausmeier, Esq.  
Public Arbitrator, Presiding Chair7-20-05  
Signature Date  
Donald L. Richardson  
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