

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

Wachovia Securities, LLC
and

Case Number: 04-04623
Hearing Site: Chicago, Illinois

Respondents

Burnis T. Brown and Lisa H.
Edelman

NATURE OF DISPUTE

Member v. Associated Persons.

REPRESENTATION OF PARTIES

Claimant, Wachovia Securities, LLC , ("Claimant"), or, ("Wachovia"), was represented by Ronald Kane, Esq., of Kane & Fischer, Ltd., located in Chicago, Illinois.

Respondent Lisa H. Edelman, ("Respondent") or ("Edelman") was represented by Robert G. Grossman, Esq., of, Robert G. Grossman, Attorney at Law, located in Chicago, Illinois.

Respondent Burnis T. Brown ("Respondent") or ("Brown") did not appear at the hearing. Respondent Edelman did not sign a Uniform Submission Agreement.

CASE INFORMATION

The Statement of Claim was filed on or about June 29, 2004. Claimant signed the Submission Agreement on May 21, 2004.

The Statement of Answer was filed by Respondent Edelman on or about December 29, 2004. Respondent Edelman did not file a properly executed Submission Agreement with NASD Dispute Resolution.

Respondent Brown did not file a Statement of Answer or sign a Uniform Submission Agreement

CASE SUMMARY

Claimants asserted the following causes of action against each Respondent: breach of promissory note; Failure to repay commission deficit; The causes of action relate to the Wachovia's attempt to recover substantial balances due to it pursuant to loans given to two respondents Brown and Edelman who are former employees of Wachovia.

Unless specifically admitted in their Answer, Respondent Edelman denied the allegations made in the Statement of Claim and requested that the claims asserted against her be dismissed with prejudice.

RELIEF REQUESTED

Claimant requested \$694,465.90 in compensatory damages.

Respondent Edelman requested that the claims asserted against her be dismissed in their entirety and that she be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Brown did not appear at the arbitration. However, upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondent Brown has been properly served with the Statement of Claim pursuant to Rule 10302 and Rule 10314 of the NASD Code of Arbitration Procedure ("Code"). The undersigned arbitrators have also determined that Respondent Brown 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 Edelman 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") and having answered the claim, appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

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 Lisa Heather Edelman is liable for and shall pay to Wachovia Securities, LLC., the sum of \$156,952.18 in compensatory damages;
- 2.) Respondent Burnis Torrell Brown is liable for and shall pay to Wachovia Securities, LLC. the sum of \$687,318.03 in compensatory damages;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and,
- 4.) Any relief not specifically enumerated, including punitive damages and attorney 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 = \$ 1,250.00

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 event-giving rise to the dispute. In this matter, the member firm is Wachovia Securities, LLC Inc.

Member surcharge = \$ 2,250.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 4,000.00

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 \$ 1,200.00 = \$ 1,200.00

Pre-hearing conference: December 13, 2004 1 session

One (1) Hearing session x \$ 1,200.00 = \$1,200.00

Hearing Date(s): July 6, 2005 1 session

Total Forum Fees = \$2,400.00

The Arbitration Panel has assessed \$2,400.00 of the forum fees to Respondent Wachovia Securities, L.L.C.

Fee Summary

Claimant Wachovia Securities, LLC is liable for:

Member Fees = \$ 7,000.00

Initial Filing Fee = \$ 1,250.00

Forum Fees = \$ 2,400.00

Total Fees = \$ 10,650.00

Less payments = \$ 9,450.00

Balance Due from NASD Dispute Resolution = \$ 1,200.00

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

ARBITRATION PANEL

Daniel Baruch Lidawer - Public Arbitrator, Presiding Chair
Joseph D. Savino - Public Arbitrator
Michael S. Gregory - Non-Public Arbitrator

Concurring Arbitrators:

Daniel Baruch Lidawer

Signature Date

Joseph D. Savino
Public Arbitrator

Signature Date

Michael S. Gregory
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only) July 28, 2005

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ARBITRATION PANEL

Daniel Baruch Lidawer - Public Arbitrator, Presiding Chair
Joseph D. Savino - Public Arbitrator
Michael S. Gregory - Non-Public Arbitrator

Concurring Arbitrators:


Daniel Baruch Lidawer

7/25/05
Signature Date

Joseph D. Savino
Public Arbitrator

Signature Date

Michael S. Gregory
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only) _____

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ARBITRATION PANEL

Daniel Baruch Lidawer - Public Arbitrator, Presiding Chair
Joseph D. Savino - Public Arbitrator
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Signature Date

Joseph D. Savino
Public Arbitrator

Signature Date

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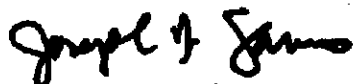
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ARBITRATION PANEL

Daniel Baruch Lidawer - Public Arbitrator, Presiding Chair
Joseph D. Savino - Public Arbitrator
Michael S. Gregory - Non-Public Arbitrator

Concurring Arbitrators:

Daniel Baruch Lidawer



Joseph D. Savino
Public Arbitrator

Signature Date

7/26/05

Signature Date

Michael S. Gregory
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

7/26/05

TO: AMY RESS 312-236-9239

FROM: JOE SAVINO

SORRY FOR THE DELAY. I WAS ON VACATION.