

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Wachovia Securities, LLC

and

04-06951
Phoenix, Arizona

Name of Respondent

John Y. Huber, IV

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

Wachovia Securities, LLC ("Claimant") was represented by Renan I. Sugarman, Esq., Chicago, Illinois.

John Y. Huber, IV ("Respondent") was represented by Mark D. Chester, Esq., Chester & Shein, Scottsdale, Arizona.

CASE INFORMATION

The Statement of Claim was filed on or about October 1, 2004. Motion to Bar was filed on or about January 28, 2005. Reply to Respondent John Huber's Response to Wachovia's Motion to Bar was filed on or about February 16, 2005. Submission Agreement of Claimant Wachovia Securities, LLC was signed and undated.

Statement of Answer and Counterclaim was filed by Respondent John Y. Huber, IV on or about February 15, 2005. Respondent's Response to Claimant's Motion to Bar was filed on or about February 15, 2005. Submission Agreement of Respondent John Y. Huber, IV was signed on April 21, 2005.

CASE SUMMARY

Claimant alleged that:

This is an action by a securities brokerage firm to recover the substantial balance due pursuant to a loan given to a former employee. This loan was evidenced by an unambiguous written Promissory Note signed by the former employee which specifically required the

former employee to repay the outstanding principal balance on the Promissory Note, interest, plus all costs of collection, including reasonable attorneys' fees. After his employment ended, demand was made on this former employee for the re-payment of the loan. Despite demand, the former employee has failed and refused to honor his obligations under the outstanding Promissory Note.

Respondent denied the allegations set forth in the Statement of Claim. In his Counterclaim, Respondent asserted the following causes of action: breach of contract; negligent misrepresentation; fraudulent inducement; breach of covenant of good faith and fair dealing; and constructive discharge. Respondent specifically stated:

Management made many promises to lure Mr. Huber to leave his prior firm and join Prudential. As will be demonstrated at the hearing, Prudential was in the midst of a national recruiting drive and would do whatever it takes to lure representatives (and their assets/accounts) from other firms. This will be corroborated by the numerous other former Prudential representatives in the Phoenix area that experienced almost the identical problems as Mr. Huber and who also have been engaged in arbitration with Claimant as a result of their forced departure from Prudential.

RELIEF REQUESTED

Claimant requested an award as follows:

1. Principal balance due and owing under the Note in the amount of \$201,676.01,
2. Interest at the per diem rate up to the date of payment, and
3. The costs of collection and of this proceeding, including reasonable attorneys' fees as agreed to under the terms of the Note.

Respondent requested that the Panel deny Claimant Wachovia's claims; that an Award be entered in his favor on both the statement of claim and the counterclaim in an amount to be proven at the hearing; that an award be entered in his favor for reimbursement of attorneys' fees and arbitration costs; and that the Panel award such other relief as it deems appropriate.

OTHER ISSUES CONSIDERED & DECIDED

By letter dated February 25, 2005, the parties were advised as follows:

The members of the arbitration panel for the subject matter have discussed the motion and the request and unanimously rule as follows:

While the rule of NASD Code of Arbitration Procedure allows that a respondent who fails to timely file answer to the claim may be barred from presenting any matter, arguments or

defenses at the hearing, the operative phase [sic] is *may* be barred - not *must* be barred. The granting of that motion to bar in this case would seem to cause the Respondent to be totally defenseless because his attorney made a mistake.

This would seem to be extreme. Consequently, the Motion to Bar is denied. The Respondent's request to permit the Answer to the Claim and the Counter-claim to be a part of the record is allowed.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "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 John Y. Huber, IV is liable for and shall pay to Claimant Wachovia Securities, LLC the sum of \$224,250.00 (**Two Hundred Twenty Four Thousand Two Hundred Fifty Dollars and No Cents**).
2. Claimant Wachovia Securities, LLC is liable for and shall pay to Respondent John Y. Huber, IV the sum of \$250,000.00 (**Two Hundred Fifty Thousand Dollars and No Cents**). After offsetting the above stated sum, Claimant is to pay Respondent a total of \$25,750.00 (**Twenty Five Thousand Seven Hundred Fifty Dollars and No Cents**).
3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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/Cross claim/Third Party Claim filing fee	= \$250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is Wachovia Securities, LLC.

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

Adjournment Fees

Adjournments requested during these proceedings:

Hearing Date(s), July 12-14, 2005, adjournment requested by Respondent	= \$1,125.00
--	--------------

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers.. 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:

3	Pre-hearing session(s) with Panel	@	1,125.00	\$	3,375.00
	March 2, 2005	1	session		
	March 10, 2005	1	session		
	July 13, 2005	1	session		
5	Hearing sessions	@	1,125.00	\$	5,625.00
	February 7, 2006	2	sessions		
	February 8, 2006	2	sessions		
	February 9, 2006	1	session		
	Total Forum Fees			\$	9,000.00

The Arbitration Panel has assessed \$3,937.50 of the forum fees to Wachovia Securities, LLC.
The Arbitration Panel has assessed \$5,062.50 of the forum fees to John Y. Huber, IV.

NASD Dispute Resolution
Arbitration No. 04-06951
Award Page 5 of 6

Fee Summary

Claimant, Wachovia Securities, LLC, is liable for:

Initial Filing Fee	= \$	1,000.00
Member Fees	= \$	5,200.00
<u>Forum Fees</u>	= \$	3,937.50
Total Fees	= \$	10,137.50
<u>Less payments</u>	= \$	-7,325.00
Balance Due NASD Dispute Resolution	= \$	2,812.50

Respondent, John Y. Huber, IV, is liable for:

Type Filing Fee	= \$	250.00
Adjournment Fee	= \$	1,125.00
<u>Forum Fees</u>	= \$	5,062.50
Total Fees	= \$	6,437.50
<u>Less payments</u>	= \$	-1,250.00
Balance Due NASD Dispute Resolution	= \$	5,187.50

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Leon G. Mackey – Non-Public Arbitrator, Presiding Chair
Thomas P. Delnoce – Non-Public Arbitrator
Karen D. Hanson – Non-Public Arbitrator

Concurring Arbitrators:

Leon G. Mackey
Leon G. Mackey
Non-Public Arbitrator, Presiding Chair

2-20-06
Signature Date

Thomas P. Delnoce
Thomas P. Delnoce
Non-Public Arbitrator

Signature Date

Karen D. Hanson
Karen D. Hanson
Non-Public Arbitrator

Signature Date

02/21/2006 16:00 FAX

NASD

006/007

NASD Dispute Resolution
 Arbitration No. 04-06951
 Award Page 5 of 6

Fee Summary

Claimant, Wachovia Securities, LLC, is liable for:

Initial Filing Fee	= \$	1,000.00
Member Fees	= \$	5,200.00
Forum Fees	= \$	3,937.50
Total Fees	= \$	10,137.50
Less payments	= \$	-7,325.00
Balance Due NASD Dispute Resolution	= \$	2,812.50

Respondent, John Y. Huber, IV, is liable for:

Type Filing Fee	= \$	250.00
Adjournment Fee	= \$	1,125.00
Forum Fees	= \$	5,062.50
Total Fees	= \$	6,437.50
Less payments	= \$	-1,250.00
Balance Due NASD Dispute Resolution	= \$	5,187.50

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Leon G. Mackey - Non-Public Arbitrator, Presiding Chair
 Thomas P. Delnoce - Non-Public Arbitrator
 Karen D. Hanson - Non-Public Arbitrator

Concurring Arbitrators:

Leon G. Mackey
 Non-Public Arbitrator, Presiding Chair

Thomas P. Delnoce
 Non-Public Arbitrator

Karen D. Hanson
 Non-Public Arbitrator

Signature Date

2/23/06

Signature Date

Signature Date

NASD Dispute Resolution
Arbitration No. 04-06951
Award Page 5 of 6

Fee Summary

Claimant, Wachovia Securities, LLC, is liable for:

Initial Filing Fee	= \$	1,000.00
Member Fees	= \$	5,200.00
<u>Forum Fees</u>	= \$	3,937.50
Total Fees	= \$	10,137.50
<u>Less payments</u>	= \$	-7,325.00
Balance Due NASD Dispute Resolution	= \$	2,812.50

Respondent, John Y. Huber, IV, is liable for:

Type Filing Fee	= \$	250.00
Adjournment Fee	= \$	1,125.00
<u>Forum Fees</u>	= \$	5,062.50
Total Fees	= \$	6,437.50
<u>Less payments</u>	= \$	-1,250.00
Balance Due NASD Dispute Resolution	= \$	5,187.50

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Leon G. Mackey – Non-Public Arbitrator, Presiding Chair
Thomas P. Delnoce – Non-Public Arbitrator
Karen D. Hanson – Non-Public Arbitrator


Concurring Arbitrators:

Leon G. Mackey
Non-Public Arbitrator, Presiding Chair

Signature Date

Thomas P. Delnoce
Non-Public Arbitrator

Signature Date



Karen D. Hanson
Non-Public Arbitrator

2-16-2006

Signature Date

NASD Dispute Resolution

Arbitration No. 04-06951

Award Page 6 of 6

Date of Service (For NASD office use only)