
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Lloyd Rothschild

Case Number: 05-00613

Names of the Respondents
Wachovia Securities, LLC f/k/a
First Union Securities
George W. Holden, III

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Lloyd Rothschild, hereinafter referred to as "Claimant": William Hamel, Esq., Dinkes & Schwitzer, P.C., New York, New York.

For Wachovia Securities, LLC f/k/a First Union Securities ("Wachovia") and George W. Holden, III ("Holden"), hereinafter collectively referred to as "Respondents": Todd Ratner, Esq., Wachovia Securities, LLC, Richmond, Virginia.

CASE INFORMATION

Statement of Claim filed on or about: February 3, 2005.

Claimant signed the Uniform Submission Agreement: January 26, 2005.

Statement of Answer filed by Respondents on or about: April 19, 2005.

Respondent Wachovia signed the Uniform Submission Agreement: April 14, 2005.

Respondent Holden signed the Uniform Submission Agreement: March 11, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: 1) misrepresentation; 2) asset allocation; 3) breach of fiduciary duty; 4) breach of contract; and 5) failure to supervise. The causes of action relate to Claimant's investments in common stock, including but not limited to, America Online, Cisco Systems, Enron, General Electric, Home Depot, Intel Corp., Sun Microsystems Inc. and Target Corp.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses among others: 1) ratification; 2) the claim is barred by the doctrines of waiver and estoppel; 3) assumption of risk; 4) Claimant's claims are barred by the applicable statutes of limitations or the equitable doctrine of laches; 5) failure to mitigate damages; and 6) Claimant has failed to state a claim upon which relief may be granted.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$200,000.00; 2) costs and expenses; 3) attorneys' fees; 4) pre- and post- award interest; and 5) such other relief as the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents requested: 1) that the Panel deny Claimant's claims; 2) dismiss the Statement of Claim; 3) order expungement of any reference to this matter from Respondent Holden's NASD Central Registration Depository ("CRD") records; and 4) award Respondents their fees, costs and any other relief as is just.

OTHER ISSUES CONSIDERED AND DECIDED

On or about August, 25, 2006, Claimant filed with NASD Dispute Resolution notice of settlement of the above referenced arbitration proceeding and request for the entry of a Stipulated Award.

On or about November 13, 2006, the Panel conducted a hearing on Respondent Holden's expungement request. On or about December 12, 2006, the Panel entered an order granting the parties' request for the entry of a Stipulated Award.

The parties have entered into a confidential settlement agreement pursuant to which Claimant has agreed to dismiss his claims with prejudice and the parties have agreed to jointly request that a Stipulated Award be issued ordering the expungement of all references to this proceeding from the CRD records of Respondent Holden.

The parties stipulate to the following facts:

1. Between June 2000 and April 2003, Claimant accepted the recommendations of Respondent Holden to purchase the following securities: America Online, Inc.; Bank of America Corporation; BB&T Corporation; Cisco Systems, Inc.; EMC Corporation; Enron Corporation; General Electric Corporation; Home Depot, Inc.; Intel Corporation; JDS Uniphase Corporation; Medtronic, Inc.; Merck & Co., Inc.; Nokia Corporation; Nortel Networks Corporation; Oracle Corporation; Pfizer Corporation; Qualcomm, Inc.; Qwest Communications International, Inc.; Sun Microsystems, Inc.; Target Corporation; and Wal-Mart Stores, Inc.
2. Before, during, and after the period in question (June 2000 through April 2003), Claimant repeatedly bought and sold the same types of securities, and very often the identical securities, in his retirement accounts at Smith Barney.
3. For example, as of June 30, 1999, Claimant owned the following securities in his Smith Barney retirement accounts:

819-66902

America Online*	\$1,100
Amgen*	\$4,870
Enron*	\$3,270

General Electric	\$2,260
Home Depot	\$1,933
Intel	\$4,760
Merck & Co.	\$1,473

819-65144

America Online*	\$2,350
Amgen*	\$3,774
Cisco Systems	\$3,995
EMC Corp.	\$2,750
Home Depot	\$1,480
Nokia	\$3,296

* rated "high risk" according to Smith Barney account statements

4. As of June 30, 2000, Claimant owned the following securities in his Smith Barney retirement accounts:

819-66902

America Online*	\$3,161
Amgen*	\$10,538
Enron*	\$5,160
General Electric	\$3,180
Gillette*	\$2,795
Home Depot	\$2,247
Intel	\$10,695
Merck & Co.	\$1,533

819-65144

Global Crossing*	\$4,289
Amazon.com*	\$2,615
Amgen*	\$5,269
Applied Microcircuits*	\$5,234
Broadcom Corp.*	\$7,006
Chase Manhattan Corp.*	\$4,698
EMC Corp.	\$5,847
Genentech*	\$6,020
Golden State Bancorp*	\$5,076
Home Depot	\$3,895
Honeywell International*	\$3,099
Intel	\$5,615

National Semiconductor*	\$3,802
Nokia	\$5,094
Nortel Networks	\$6,552
Qualcomm*	\$2,460
Viacom*	\$3,000

* rated "high risk" or "speculative" according to Smith Barney account statements

5. As of June 30, 2001, Claimant owned the following securities in his Smith Barney retirement accounts:

819-66902

America Online*	\$3,180
Cisco Systems*	\$1,274
Enron*	\$2,701
General Electric	\$4,144
Home Depot	\$2,095
Intel	\$4,680
Merck & Co.	\$1,278
Microsoft*	\$3,650

819-65144

Flextronics*	\$1,697
Applied Microcircuits*	\$1,307
Applied Materials*	\$2,210
BB&T Corp.*	\$5,542
Biopure Corp.*	\$2,874
Corning*	\$1,537
Home Depot	\$3,631
Intel	\$3,729
Nortel Networks*	\$1,237
Pixelworks*	\$10,436
Qualcomm*	\$4,795
Target Corp.	\$5,674
Williams Companies*	\$3,295

* rated "high risk" or "speculative" according to Smith Barney account statements

6. As of June 30, 2002, Claimant owned the following securities in his Smith Barney retirement accounts:

819-66902

America Online*	\$1,471
Cisco Systems*	\$977
General Electric	\$2,469
Home Depot	\$2,204
Household International*	\$2,734
Intel	\$2,923
Merck & Co.	\$1,013
Microsoft*	\$2,735
Tyco International*	\$608

819-65144

Flextronics*	\$1,012
Apple Computer*	\$2,569
Applied Microcircuits*	\$359
Applied Materials*	\$1,712
General Electric	\$1,656
Home Depot	\$2,865
IDEC Pharmaceuticals*	\$2,340
Intel	\$2,905
Nortel Networks*	\$199
Pixelworks*	\$2,450
Qualcomm*	\$2,254
Sun Microsystems*	\$671
Target Corp.	\$4,229
Univision Communications*	\$2,795
Waste Management*	\$3,152

* rated "high risk" or "speculative" according to Smith Barney account statements

7. As of June 30, 2003, Claimant owned the following securities in his Smith Barney retirement accounts:

819-66902

America Online*	\$1,609
Cisco Systems*	\$1,175
Dell Computer*	\$1,433
Genentech*	\$3,245
General Electric	\$1,721

Home Depot	\$3,478
Intel	\$4,578
Interactivecorp*	\$1,573
Merck & Co.	\$1,211
Pfizer	\$3,927
Texas Instruments*	\$3,168

819-65144

Flextronics*	\$1,481
Applied Microcircuits*	\$459
Applied Materials*	\$1,426
Biovail Corp.*	\$3,200
IDEC Pharmaceuticals*	\$2,241
Home Depot	\$3,478
JP Morgan Chase*	\$5,776
Nortel Networks*	\$370
Pixelworks*	\$2,450
Qualcomm	\$2,254
Sun Microsystems*	\$671
Target Corp.	\$4,200
Texas Instruments*	\$1,813

* rated "high risk" or "speculative" according to Smith Barney account statements

8. As of June 30, 2004, Claimant owned the following securities in his Smith Barney retirement accounts:

819-66902

Biogen IDEC*	\$2,846
Cisco Systems*	\$2,489
Genentech*	\$5,058
General Electric	\$3,564
Home Depot	\$3,696
Intel	\$6,072
Merck & Co.	\$950
Pfizer	\$3,942
Texas Instruments*	\$4,352
Time Warner*	\$1,758

819-65144

Flextronics*	\$2,265
Applied Materials*	\$1,766
Home Depot	\$3,696
NPS Pharmaceuticals*	\$1,092
Nokia	\$2,370
Nortel Networks*	\$684
Qualcomm*	\$5,984
Staples*	\$3,583
Target Corp.	\$4,714
Texas Instruments*	\$2,490
Univision Communications*	\$2,842
UnumProvident*	\$3,466

* rated "high risk" or "speculative" according to Smith Barney account statements

9. On or about April 15, 2003, Claimant transferred his account from Respondent Wachovia to First Citizens Investor Services. As of July 31, 2006, Claimant still held the following securities in his First Citizens account, notwithstanding his claim that the investments were unsuitable for him at the time they were made: Cisco Systems, Inc.; General Electric; Home Depot, Inc.; Intel Corporation; JDS Uniphase Corporation; Medtronic, Inc.; Merck & Company, Inc.; Nortel Networks Corporation; Oracle Corporation; Pfizer, Inc.; Qwest Communications International, Inc.; Sun Microsystems, Inc.; and Target Corporation.
10. All of Claimant's claims, including his claims of breach of fiduciary duty, breach of contract, misrepresentation, asset allocation, and failure to supervise, were premised upon and derivative of his claim that Respondent Holden provided him with unsuitable investment advice.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of a Stipulated Award, the written stipulation thereto, and after considering the Stipulation of the parties, the Panel grants the motion and enters this Stipulated Award granting the following relief:

1. The Panel accepts the dismissal of each and every one of Claimant's claims asserted against Respondents.

2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Holden's registration records maintained by the CRD, with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Holden must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to NASD Rule 2130, the arbitration panel has made the following affirmative findings of fact:

The claim, allegation, or information is false.

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
--------------------------	-------------

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. Accordingly, Respondent Wachovia is a party and was a member firm.

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

Adjournments granted during these proceedings for which fees were assessed:

March 7-10, 2006, adjournment requested by Claimant	= \$1,125.00
---	--------------

The Panel has assessed \$1,125.00 of the adjournment fee to Claimant.

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:

August 29-31, 2006, notice of settlement received on August 25, 2006.

The Panel has assessed \$150.00 of the three-day cancellation fee to Claimant.

The Panel has assessed \$150.00 of the three-day cancellation fee to Respondents, jointly and severally.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

There were no injunctive relief fees assessed 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 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 a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: March 13, 2006	1 session

Three (3) Pre-hearing sessions with Panel @ \$1,125.00	= \$3,375.00
Pre-hearing conferences: July 21, 2005	1 session
February 24, 2006	1 session
August 4, 2006	1 session

One (1) Hearing session @ \$1,125.00	= \$1,125.00
Hearing session: November 13, 2006	1 session

Total Forum Fees	= \$4,950.00
------------------	--------------

The Panel has assessed \$2,475.00 of the forum fees to Claimant.

The Panel has assessed \$2,475.00 of the forum fees to Respondents, jointly and severally.

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.

There were no administrative costs incurred during this proceeding.

Fee Summary

1. Claimant is solely liable for the following fees:
Initial Filing Fee = \$ 300.00

Adjournment Fee	= \$1,125.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$2,475.00
Total Fees	= \$4,050.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$2,625.00

2. Respondent is solely liable for the following fees:

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

3. Respondents are jointly and severally liable for the following fees:

Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$2,475.00
Total Fees	= \$2,625.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$2,625.00

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

ARBITRATION PANEL

Linda K. Wood - *Public Arbitrator, Presiding Chairperson*
Kenneth J. Daras - *Public Arbitrator, Panelist*
Dimitri Angelo Dodys - *Non-Public Arbitrator, Panelist*

Concurring Arbitrators' Signatures

/s/
Linda K. Wood
Public Arbitrator, Presiding Chairperson

December 19, 2006
Signature Date

/s/
Kenneth J. Daras
Public Arbitrator

December 18, 2006
Signature Date

/s/
Dimitri Angelo Dodys
Non-Public Arbitrator

December 19, 2006
Signature Date

December 19, 2006

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

Adjudgment Fee	= \$1,125.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$2,475.00
Total Fees	= \$4,050.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$2,625.00

2. Respondent is solely liable for the following fees:

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

3. Respondents are jointly and severally liable for the following fees:

Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$2,475.00
Total Fees	= \$2,625.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$2,625.00

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

ARBITRATION PANEL

Linda K. Wood - *Public Arbitrator, Presiding Chairperson*
Kenneth J. Daras - *Public Arbitrator, Panelist*
Dimitri Angelo Dodys - *Non-Public Arbitrator, Panelist*

Concurring Arbitrators' Signatures

Linda K Wood
Linda K. Wood
Public Arbitrator, Presiding Chairperson

19 December 2006
Signature Date

Kenneth J. Daras
Public Arbitrator

Signature Date

Dimitri Angelo Dodys
Non-Public Arbitrator

Signature Date

Adjournment Fee	= \$1,125.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$2,475.00
Total Fees	= \$4,050.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$2,625.00

2. Respondent is solely liable for the following fees:

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

3. Respondents are jointly and severally liable for the following fees:

Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$2,475.00
Total Fees	= \$2,625.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$2,625.00

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

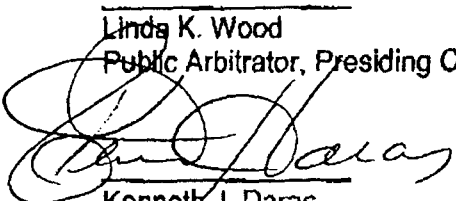
ARBITRATION PANEL

Linda K. Wood	- Public Arbitrator, Presiding Chairperson
Kenneth J. Daras	- Public Arbitrator, Panelist
Dimitri Angelo Dodys	- Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Linda K. Wood
Public Arbitrator, Presiding Chairperson

Signature Date


Kenneth J. Daras
Public Arbitrator

12-18-06

Signature Date

Dimitri Angelo Dodys
Non-Public Arbitrator

Signature Date

Adjournment Fee	= \$1,125.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$2,475.00
Total Fees	= \$4,050.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$2,625.00

2. Respondent is solely liable for the following fees:

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

3. Respondents are jointly and severally liable for the following fees:

Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$2,475.00
Total Fees	= \$2,625.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$2,625.00

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

ARBITRATION PANEL

Linda K. Wood	- Public Arbitrator, Presiding Chairperson
Kenneth J. Daras	- Public Arbitrator, Panelist
Dimitri Angelo Dodys	- Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Linda K. Wood
Public Arbitrator, Presiding Chairperson

Signature Date

Kenneth J. Daras
Public Arbitrator

Signature Date


Dimitri Angelo Dodys
Non-Public Arbitrator

12-19-06
Signature Date