

**Stipulated Award
NASD Dispute Resolution**

COPY

In the Matter of the Arbitration Between:
Wachovia Securities, LLC, Claimant v. Jay Reid Porter, Respondent

Case Number: 05-01390

Hearing Site: Seattle, Washington

Nature of the Dispute: Member v. Associated Person

REPRESENTATION OF PARTIES

For Claimant:

Diane C. Fischer, Esq.
Ronald P. Kane, Esq.
Stuart F. Primack, Esq.
Kane & Fischer, Ltd.
Chicago, Illinois

For Respondent:

John A. Bender, Esq.
Ryan, Swanson &
Cleveland
Seattle, Washington

CASE INFORMATION

Statement of Claim filed: March 15, 2005

Claimant's Uniform Submission Agreement signed: March 14, 2005

Statement of Answer filed by Respondent: May 16, 2005

Respondent's Uniform Submission Agreement signed: May 15, 2005

Claimant's response to Respondent's Answer: November 15, 2005

CASE SUMMARY

Claimant asserted a claim for breach of the terms of a promissory note.

Unless specifically admitted in its Answer, Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$166,077.10 in compensatory damages (the principal balance owed under the promissory note), \$627.90 in interest accrued during the term of the note from April 30, 2003 through May 23, 2003, interest accrued on the balance owed under the note from May 23, 2003 through the date of payment, and costs, including attorney's fees.

Respondent requested dismissal of Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties resolved their dispute arising out of, and in connection with, the aforementioned promissory note by executing a Settlement Agreement. Pursuant to the terms of that Settlement Agreement, this Stipulated Award shall be signed by the arbitrators but no action will be taken by Claimant to enforce the award unless Respondent fails to comply with the payment terms of the Settlement Agreement. Should Respondent abide by the terms of the Settlement Agreement and pay Claimant the monies as agreed to, this Stipulated Award shall be deemed to be satisfied.

The parties stipulated to the entry of this Stipulated Award as part of the settlement of this matter. Pursuant to the Settlement Agreement entered into between the parties, Respondent waived any right to an arbitration hearing.

The parties also agreed that the Stipulated 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 Stipulated Award while the original remains on file with NASD Dispute Resolution, Inc.

AWARD

The parties have entered into a Settlement Agreement. As part of the Settlement Agreement, the parties have consented to the following award:

1. In the event of J. Reid Porter's default of the Settlement Agreement and failure to cure such default as set forth in the Settlement Agreement, Porter shall pay to Wachovia Securities, LLC the sum of \$235,957.55, plus interest at the rate of 6% per annum from September 6, 2006 to the date of payment.
2. Except as otherwise specified herein, each party shall bear its own costs and attorney's fees.

3. J. Reid Porter is liable for and shall pay NASD Dispute Resolution, Inc. one-half of any forum fees and/or hearing cancellation fees assessed by the Panel.
4. Wachovia Securities, LLC is liable for and shall pay NASD Dispute Resolution, Inc. one-half of any forum fees and/or hearing cancellation fees assessed by the Panel.
5. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 1,000.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Wachovia Securities, LLC is a party, and the following fees are assessed:

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

The following adjournment fees are assessed:

April 11-12, 2006, adjournment requested by Respondent	= \$ 1,125.00
September 7-8, 2006, adjournment requested by Claimant and Respondent	= \$ 1,125.00

The Panel assessed the postponement fee for the April 11-12, 2006 hearing 100% to Respondent.

The Panel waived the postponement fee for the September 7-8, 2006 hearing.

Three-Day Cancellation Fees

Three-day cancellation fees apply when a hearing on the merits is postponed or settled within three business days before the start of the first scheduled hearing session. The following three-day cancellation fees are assessed:

Cancellation of April 11-12, 2006 hearing dates: = \$ 300.00

Cancellation of September 7-8, 2006 hearing dates: = \$ 300.00

The Panel assessed the three-day cancellation fees for the April 11-12, 2006 hearing dates 100% to Respondent.

Pursuant to the terms of the parties' settlement agreement, the three-day cancellation fees for the September 7-8, 2006 hearing dates are assessed 50% to Claimant and 50% to Respondent.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) decision on a discovery-related motion on the papers
with (1) one arbitrator @ \$200.00 = \$ 200.00
Claimant submitted one (1) discovery-related motion

Two (2) pre-hearing conference sessions with the Panel
@ \$1,125.00/session = \$2,250.00

Pre-hearing conferences: July 7, 2005 1 session
April 11, 2006 1 session

Total Forum Fees = \$2,450.00

Pursuant to the terms of the parties' settlement agreement, the forum fees were assessed 50% to Claimant and 50% to Respondent.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,200.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$ 1,225.00
<u>Total Fees</u>	<u>= \$ 7,575.00</u>
<u>Less payments</u>	<u>= \$(7,475.00)</u>
Balance Due NASD Dispute Resolution	= \$ 100.00

2. Respondent is charged with the following fees and costs:


Adjournment Fee	= \$ 1,125.00
Three-Day Cancellation Fee	= \$ 450.00
Forum Fees	= \$ 1,225.00
<u>Total Fees</u>	<u>= \$ 2,800.00</u>
<u>Less payments</u>	<u>= \$(1,425.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,375.00

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

ARBITRATION PANEL

Robert W. Pillitteri	-	Non-Public Arbitrator, Presiding Chair
Thomas D. Cochran	-	Non-Public Arbitrator
Clarence F. Roed	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Robert W. Pillitteri
Chair, Non-Public Arbitrator

10/26/06
Signature Date

Thomas D. Cochran
Non-Public Arbitrator

Signature Date

Clarence F. Roed
Non-Public Arbitrator

Signature Date

10/30/06
Date of Service

ARBITRATION PANEL

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Clarence F. Roed	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Robert W. Pillitteri
Chair, Non-Public Arbitrator

Signature Date



Thomas D. Cochran
Non-Public Arbitrator

10/24/06
Signature Date

Clarence F. Roed
Non-Public Arbitrator

Signature Date

10/30/06
Date of Service

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Signature Date

Thomas D. Cochran
Non-Public Arbitrator

Signature Date



Clarence F. Roed
Non-Public Arbitrator

10-26-06
Signature Date

10/30/06
Date of Service