

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
Wachovia Securities, LLC

Case Number: 05-02410

Name of the Respondent  
Stephen Patrick

Hearing Site: Atlanta, Georgia

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Nature of the Dispute: Member vs. Associated Person.

**REPRESENTATION OF PARTIES**

For Wachovia Securities, LLC, hereinafter referred to as "Claimant": Jonathan E. Levine, Esq., Daniel S. Fiore, Arlington, Virginia.

Stephen Patrick, hereinafter referred to as "Respondent," did not appear in this matter.

**CASE INFORMATION**

Statement of Claim filed on or about: May 5, 2005.

Claimant signed the Uniform Submission Agreement: December 23, 2004.

Claimant's Motion for Default Award filed on or about: September 13, 2005.

Respondent did not file a Statement of Answer or executed Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: breach of promissory note dated November 21, 2002; and, breach of promissory note dated March 23, 2004. The causes of action relate to Claimant's requests for repayment pursuant to the terms of the promissory notes.

**RELIEF REQUESTED**

Claimant requested the following relief: for the promissory note dated November 21, 2002, an award in the principal amount of \$20,234.45, plus accrued interest on the principal in the amount of \$944.32 as of October 15, 2004, plus interest that has accrued on the principal since October 15, 2004 at the annual percentage rate of 3.5%; for the promissory note dated March 24, 2004, an award in the principal amount of \$44,538.84, plus accrued interest on the principal in the amount of \$974.29 as of October 15, 2004, plus interest that has accrued on the principal since October 15, 2004 at the annual percentage rate of 3.75%; reimbursement of all NASD fees and charges incurred by Claimant; reimbursement of Claimant's collection costs, including its reasonable attorneys' fees in the amount of \$20,000.00; and, any additional relief in its favor that the arbitration panel deemed appropriate.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent did not appear in this matter. Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondent has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, is bound by the determination of the Panel on all issues submitted.

By motion dated September 13, 2005, Claimant requested that it be permitted to proceed against Respondent pursuant to Rule 10314(e) of the Code. The arbitrators granted Claimant's request and determined that Respondent was properly served with notice of the Statement of Claim and notification of the arbitrators and that Respondent is required to submit to arbitration pursuant to the Code and is bound by the determination of the arbitrators on all issues submitted.

### **AWARD**

After considering the pleadings and the Motion for Default Award, the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable and shall pay to Claimant the sum of \$64,773.29, plus the sum of \$1,918.61 which represents interest at the rate of 3.75% from October 15, 2004 until September 28, 2005.

Respondent is liable and shall pay to Claimant the sum of \$1,000.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimant's request for attorneys' fees, are denied.

### **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
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#### **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 is a party.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$750.00
Hearing process fee	= \$1,700.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees incurred in this matter.

#### **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:

There were no three-day cancellation fees incurred in this matter.

#### **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.

No injunctive relief fees were incurred in this matter.

#### **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 the Panel @ \$750.00	= \$750.00
Pre-hearing conference: September 7, 2005	1 session
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Total Forum Fees	= \$750.00

The Panel has assessed the total forum fees of \$750.00 to Respondent. In addition, the Panel has assessed the \$300.00 "paper record" rate for deciding a default case to Respondent.

#### **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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

**FEE SUMMARY**

Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$3,550.00

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Total Fees	= \$4,550.00
Less payments	= \$3,225.00

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Balance Due NASD Dispute Resolution	= \$1,325.00
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Respondent is solely liable for:

Forum Fees	= \$750.00
"Paper Record" Fee	= \$300.00

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Total Fees	= \$1,050.00
Less payments	= \$0.00

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Balance Due NASD Dispute Resolution	= \$1,050.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Michael J. Stern	-	Non-Public Arbitrator, Presiding Chair
Henry W. Grady, III	-	Non-Public Arbitrator
Cheryl A. Hooks	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_/S/\_\_\_\_\_  
Michael J. Stern  
Non-Public Arbitrator, Presiding Chair

September 29, 2005  
Signature Date

\_\_\_\_\_/S/\_\_\_\_\_  
Henry W. Grady, III  
Non-Public Arbitrator

September 29, 2005  
Signature Date

/S/                      
Cheryl A. Hooks  
Non-Public Arbitrator

September 30, 2005  
Signature Date

October 3, 2005  
Date of Service (For NASD Dispute Resolution office use only)

**FEE SUMMARY**

Claimant is solely liable for:

Initial Filing Fee

= \$1,000.00

Member Fees

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Total Fees

= \$4,550.00

Less payments

= \$3,225.00

Balance Due NASD Dispute Resolution

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Forum Fees

= \$750.00

"Paper Record" Fee

= \$300.00

Total Fees

= \$1,050.00

Less payments

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Balance Due NASD Dispute Resolution

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Henry W. Grady, III

Cheryl A. Hooks

Non-Public Arbitrator, Presiding Chair

Non-Public Arbitrator

Non-Public Arbitrator

**Concurring Arbitrators' Signatures**


Michael J. Stern

Non-Public Arbitrator, Presiding Chair



Signature Date

Henry W. Grady, III

Non-Public Arbitrator

Signature Date

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Balance Due NASD Dispute Resolution	= \$1,325.00
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Less payments	= \$0.00

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**ARBITRATION PANEL**

Michael J. Stern  
Henry W. Grady, III  
Cheryl A. Hooks

Non-Public Arbitrator, Presiding Chair  
Non-Public Arbitrator  
Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

Michael J. Stern  
Non-Public Arbitrator, Presiding Chair

Henry W. Grady, III  
Non-Public Arbitrator

Signature Date

9/29/05

Signature Date

Cheryl A. Hooks  
Cheryl A. Hooks  
Non-Public Arbitrator

9-30-05  
Signature Date

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