

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Jerry W. and Frances B. Sather

Case Number: 05-03203

Name of the Respondent

Michael Vincent Valle

Hearing Site: Dallas, Texas

NATURE OF THE DISPUTE

Public Customer vs. Associated Person

REPRESENTATION OF PARTIES

Claimants Jerry W. and Frances B. Sather, hereinafter collectively referred to as "Claimants": Frances W. Sather of Clifton, Texas.

Respondent Michael Vincent Valle, hereinafter referred to as "Respondent": Phillip W. Offill, Jr., Esq. and Daryl K. Washington, Esq., of the firm of Godwin Pappas LLP, located in Dallas, Texas.

CASE INFORMATION

Statement of Claim filed: June 22, 2005.

Both Claimants signed the Uniform Submission Agreement: June 15, 2005.

Motion to Dismiss, Motion for More Definite Statement, and subject thereto, Original Statement of Answer filed by Respondent on: August 15, 2005.

Respondent signed the Uniform Submission Agreement: August 11, 2005.

Claimants' Response to the Respondent's Motion to Dismiss filed on: August 25, 2005.

Respondent's Motion for Summary Judgment filed on: November 18, 2005.

Claimants' Response to Respondent's Motion for Summary Judgment filed on: December 5, 2005.

Respondent's Reply to Claimants' Response to Respondent's Motion for Summary Judgment filed on: December 19, 2005.

Claimants' Motion to Amend and Proceed Under Simplified Arbitration filed on: December 27, 2005.

Respondent's Response to Claimants' Motion to Amend and Proceed Under Simplified

Arbitration filed on: December 28, 2005.

Claimants' Motion for Leave to Amend Relief Request to Over \$50,000 filed on: May 3, 2006.

Respondent's Motion for Summary Judgment filed on: May 12, 2006.

Respondent's Motion for Arbitrator to Affirm Mediation Settlement filed on: May 12, 2006.

Respondent's Motion to Deny Claimant's Motion for Leave to Amend filed on: May 12, 2006.

Claimants' Authorization to Proceed as a Simplified Arbitration for Cases of \$25,000 or less filed on: May 18, 2006.

CASE SUMMARY

Claimants alleged that Respondent invested the sums in their retirement account in high-risk tech stocks and engaged in excessive trading against the Claimants agreed instructions.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted that the account was invested pursuant to their profile and objectives, and experienced normal growth and decline based upon market conditions at the time.

RELIEF REQUESTED

Claimants Jerry W. and Frances B. Sather requested:

Compensatory Damages	\$50,000.01
Punitive Damages	Unspecified Amount
Interest	Unspecified Amount
Attorneys' Fees	Unspecified Amount
Other Costs	Unspecified Amount
Other Monetary/Non-Monetary Relief if any:	Unspecified Amount

On January 19, 2006, the claims were reduced to \$25,000.00 or less.

Respondent Michael Vincent Valle requested that the Claim be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant filed a Motion to Amend and Proceed Under Simplified Arbitration, reducing the damage request to \$25,000. The Respondent agreed and joined in the Motion in his response. On January 19, 2006, the Panel granted Claimants' Motion to Amend and Proceed Under Simplified Arbitration. Therefore, the relief requested was reduced to less than \$25,000 and the decision was to be made by a single arbitrator without

hearing. Two arbitrators were excused and the Chairperson remained on the arbitration.

On January 25, 2006, the Panel denied Respondent's Motion for Summary Judgment filed on November 18, 2005.

On or about January 9, 2006, the parties agreed to postpone the hearing scheduled to begin February 6, 2006 in order to mediate. When mediation was not successfully completed, Claimant requested that the claim be amended to increase the relief request and proceed in a hearing before a full panel. Prior to Panel's decision, Claimants' withdrew the request and agreed to proceed pursuant to simplified arbitration for claims \$25,000 or under before a single arbitrator, rendering the Motion for Leave to Amend dated May 3, 2006 moot.

Respondent's Motion for Summary and Motion for Arbitrator to Affirm Mediation Settlement are denied. In addition, the Panel denied Respondent's Motion to Dismiss and Motion for More Definite Statement.

AWARD

After considering the pleadings and the additional submissions, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Michael Vincent Valle is liable for and shall pay to the Claimants, Jerry W. and Frances B. Sather, the sum of \$4,000.00 as compensatory damages;
2. The parties shall bear their own costs of arbitration, including any attorneys' fees, except for those sums specifically enumerated in this decision;
3. Any and all relief not specifically addressed herein, including punitive damages, is 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	= \$ 225.00
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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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Wachovia Securities, LLC is the Respondent's former firm and the following member fees are assessed:

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:

February 6-7, 2006 adjournment to mediate	= \$ 750.00
Waived by Staff	

Forum Fees and Assessments

The Arbitrator 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 Panel @ \$750.00	= \$ 750.00
Pre-hearing conference:	
October 17, 2005 1 session	
Single Arbitrator's Decision on the Papers	= \$ 300.00
Total Forum Fees	= \$ 1,050.00

The Arbitrator has assessed \$600.00 of the forum fees, jointly and severally, to the Claimants, Jerry W. and Frances B. Sather. The Arbitrator has assessed the remaining \$600.00 of the forum fees to the Respondent, Michael Vincent Valle.

FEE SUMMARY

Claimants Jerry W. and Frances B. Sather are jointly and severally liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 525.00
Total Fees	= \$ 750.00
<u>Less payments</u>	<u>= \$ 1,162.50</u>
Balance Refunded by NASD Dispute Resolution	= \$ 412.50

Respondent Michael Vincent Valle is solely liable for:

Forum Fees	= \$ 525.00
<u>Less payments</u>	<u>= \$ 187.50</u>
Balance Due NASD Dispute Resolution	= \$ 337.50

Wachovia Securities, LLC is solely liable for:

Member Fees	= \$ 3,550.00
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Less payments	= \$ 3,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Edwin J. Tomko, Esq. - Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

Edwin J. Tomko, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

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

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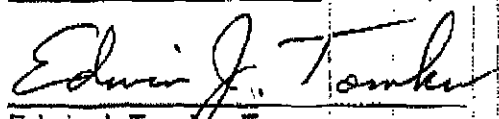
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Less payments	= \$ 3,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Edwin J. Tomko, Esq. - Public Arbitrator, Presiding Chairperson

Arbitrator's Signature

Edwin J. Tomko, Esq.
Public Arbitrator, Presiding Chairperson

July 27, 2006
Signature Date

7/27/06 NEU
Date of Service (For NASD Dispute Resolution office use only)