

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Wachovia Securities, LLC

Case Number: 05-05125

Name of Respondent
Gregg F. Gallagher

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

For Wachovia Securities, LLC ("Wachovia"), hereinafter referred to as "Claimant":
Adam J. Steinberg, Esq., Carlton Fields, P.A., Miami, Florida.

Respondent Gregg F. Gallagher ("Gallagher") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: October 3, 2005.
Claimant signed the Uniform Submission Agreement: September 29, 2005.
Statement of Answer filed by Respondent on or about: March 9, 2006.
Respondent did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the cause of action of breach of promissory note. The cause of action relates to Respondent's alleged failure to repay monies due pursuant to a promissory note after his employment with Claimant terminated.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$908,344.71; interest of \$51,477.01 that accrued during the term of the note at the rate of 3.50% per annum; interest at the rate of 6.50% per year from the date of default (March 2, 2004) to the date of payment; costs, including attorneys' fees as agreed to under the terms of the note; and, any other relief as the undersigned arbitrators (the "Panel") deemed just and equitable.

Respondent did not delineate a relief request.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Gallagher did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

During the evidentiary hearing on October 16, 2006, Claimant filed a Motion in Limine to exclude Respondent from introducing documents at the evidentiary hearing, since none were produced during the discovery process. As Respondent had no documents to produce at hearing, the Panel deemed Claimant's motion moot.

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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable for breach of promissory note. Respondent shall pay to Claimant compensatory damages in the amount of \$908,344.71, plus interest in the amount of \$125,861.73.

Claimant's request for attorneys' fees pursuant to the terms of the promissory note is granted. As such, Respondent shall pay to Claimant the sum of \$38,000.00.

Any and all claims for relief not specifically addressed herein 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	= \$1,250.00
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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. Accordingly, Claimant Wachovia is a member firm and a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$4,000.00</u>
Total Member Fees	= \$7,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

June 5 – 6, 2006, adjournment requested by Claimant = \$1,200.00

The Panel assessed \$600.00 of the adjournment fee to Claimant.

The Panel assessed \$600.00 of the adjournment fee to Respondent.

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:

No three-day cancellation fees were 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 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), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with the Panel @ \$1,200.00/session = \$2,400.00

Pre-hearing conferences: February 28, 2006 1 session
May 26, 2006 1 session

One (1) Hearing session @ \$1,200.00/session = \$1,200.00

Hearing Date: October 16, 2006 1 session

Total Forum Fees = \$3,600.00

The Panel has assessed \$1,800.00 of the forum fees to Claimant.

The Panel has assessed \$1,800.00 of the forum fees 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 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	= \$ 1,250.00
Member Fees	= \$ 7,000.00
Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 1,800.00</u>
Total Fees	= \$10,650.00
<u>Less payments</u>	<u>= \$ 9,450.00</u>
Balance Due NASD Dispute Resolution	= \$ 1,200.00

Respondent is solely liable for:

Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 1,800.00</u>
Total Fees	= \$ 2,400.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 2,400.00

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

ARBITRATION PANEL

Robert B. Kane	-	Non-Public Arbitrator, Presiding Chairperson
Sydney I. Josepher	-	Non-Public Arbitrator
Karen Z. Fischer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Robert B. Kane
Non-Public Arbitrator, Presiding Chairperson

November 1, 2006
Signature Date

/s/
Sydney I. Josepher
Non-Public Arbitrator

November 2, 2006
Signature Date

/s/
Karen Z. Fischer
Non-Public Arbitrator

November 1, 2006
Signature Date

November 2, 2006
Date of Service (For NASD Dispute Resolution office use only)

Nov. 1, 2006 2:39PM

Arbitration No. 0505125

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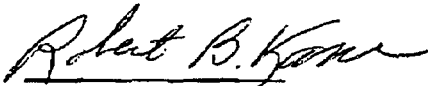
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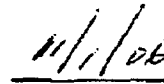
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Concurring Arbitrators' Signatures



Robert B. Kane
Non-Public Arbitrator, Presiding Chairperson



Signature Date

Sydney I. Josepher
Non-Public Arbitrator

Signature Date

Karen Z. Fischer
Non-Public Arbitrator

Signature Date

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

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Concurring Arbitrators' Signatures

Robert B. Kane
Non-Public Arbitrator, Presiding Chairperson

Signature Date



Sydney I. Josepher
Non-Public Arbitrator

11.2.06

Signature Date

Karen Z. Fischer
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution

Arbitration No. 0505125

Award Page 4

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Concurring Arbitrators' Signatures

Robert B. Kane
Non-Public Arbitrator, Presiding Chairperson

Signature Date

Sydney I. Josepher
Non-Public Arbitrator

Signature Date


Karen Z. Fischer
Non-Public Arbitrator

11/01/00
Signature Date

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