

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Wachovia Securities, LLC

and

05-06647
Chicago, Illinois

Name of Respondent

Leon P. Rehak

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

Wachovia Securities, LLC ("**Claimant**") was represented by Diane C. Fischer, Esq., Ronald P. Kane, Esq. and Jennifer L. Klebes, Esq., Kane & Fischer, Ltd., Chicago, Illinois.

Leon P. Rehak ("**Respondent**") was represented by Michael R. Greco, Esq., Saul Ewing LLP, Wayne, Pennsylvania.

CASE INFORMATION

The Statement of Claim was filed on or about December 28, 2005. Reply to Counterclaim was filed on or about March 14, 2006. Submission Agreement of Claimant Wachovia Securities, LLC was signed on December 21, 2005.

Answer to Statement of Claim and Counterclaims was filed by Respondent Leon P. Rehak on or about February 17, 2006. Submission Agreement of Respondent Leon P. Rehak was signed on May 1, 2006.

CASE SUMMARY

Claimant, Wachovia Securities, LLC alleged, among other things, non-payment of the outstanding balance due on a Promissory Note (the "Note") entered into between First Union Corporation and Leon P. Rehak ("Respondent" and/or "Rehak") on or about November 14, 2000 (the "Note").¹ Specifically, Wachovia alleged that Rehak is liable for

¹ On September 1, 2001, Wachovia Corporation merged with and into First Union Corporation. The surviving corporation changed its name to Wachovia Corporation. Wachovia Corporation subsequently assigned all its right, title, and interest in and to Rehak's Note to Wachovia Securities, Inc., a wholly-owned subsidiary of Wachovia Corporation. On May 30, 2003, Wachovia Securities, Inc.

damages under the Note in the principal amount of \$197,493.93, plus accrued and accruing interest and attorneys' fees and costs in accordance with the terms of the Note.

Respondent asserted that he owed nothing under the Note and asserted a counterclaim alleging fraudulent misrepresentation, fraudulent inducement, breach of the implied covenant of good faith and fair dealing, and conversion.

RELIEF REQUESTED

Wachovia requested the following relief:

Compensatory Damages:	\$197,493.93
Interest:	\$30,421.16 (through 7/12/2006)
Costs:	\$8,283.53
Attorneys' Fees:	\$29,303.50
TOTAL	\$265,502.12

Respondent requested that the claims asserted against him be denied in their entirety and that he be awarded the sum of \$354,550.00 on his counterclaim.

OTHER ISSUES CONSIDERED & DECIDED

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

The parties stipulated to the entry of this award as part of the settlement of this matter. Pursuant to the Settlement Agreement entered into between the parties, Rehak waived any right to an Arbitration hearing.

converted to Wachovia Securities, LLC. (Hereinafter, Wachovia Corporation, First Union Corporation, Wachovia Securities, LLC, Wachovia Securities, Inc. and First Union Securities, Inc. will be referred to interchangeably as "Wachovia" or "Claimant.")

The parties also agree that the 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 award while the original(s) remain on file with NASD Dispute Resolution, Inc.

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 an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Leon P. Rehak shall pay to Wachovia Securities, LLC the sum of \$265,502.12, plus interest at the rate of 9% per annum from July 12, 2006, to the date of payment.
2. Except as otherwise specified herein, each party shall bear its own costs and attorneys fees.
3. Leon P. Rehak is liable for and shall pay to the 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 to the 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 will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$1,000.00
Counter 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. In this matter, the member firm(s) is Wachovia Securities, LLC.

Member surcharge	\$	1,700.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	2,750.00
Total Member Fees	\$	5,200.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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:

1 Pre-hearing session(s) with a single arbitrator	x	\$450.00	\$	450.00
June 27, 2006	1	session		
1 Pre-hearing session(s) with Panel	x	1,125.00	\$	1,125.00
April 25, 2006	1	session		
Total Forum Fees			\$	1,575.00

The Arbitration Panel has assessed \$787.50 of the forum fees to Wachovia Securities, LLC.

The Arbitration Panel has assessed \$787.50 of the forum fees to Leon P. Rehak.

Fee Summary

Claimant, Wachovia Securities, LLC, is liable for:

Initial Filing Fee	= \$	1,000.00
Member Fees	= \$	5,200.00
Forum Fees	= \$	787.50
Total Fees	= \$	6,987.50
Less payments	= \$	-7,325.00
Balance to be refunded by NASD Dispute Resolution	= \$	- 337.50

Respondent, Leon P. Rehak, is liable for:

Type Filing Fee	= \$	300.00
<u>Forum Fees</u>	= \$	<u>787.50</u>
Total Fees	= \$	1,087.50
<u>Less payments</u>	= \$	<u>-1,425.00</u>
Balance to be refunded by NASD Dispute Resolution	= \$	- 337.50

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Howard B. Silverman – Non-Public Arbitrator, Presiding Chair
Mark C. Hutchinson, CFA – Non-Public Arbitrator
Thomas H. Stone - Non-Public Arbitrator

Concurring Arbitrators:

Howard B. Silverman
Non-Public Arbitrator, Presiding Chair

Signature Date

Mark C. Hutchinson, CFA
Non-Public Arbitrator

Signature Date

Thomas H. Stone
Non-Public Arbitrator

Signature Date

7/28/06

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 05-06647
Stipulated Award Page 5 of 5

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