

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

---

In the Matter of the Arbitration Between:

Audrey Shaps Revocable Trust dtd 9/5/91, Claimant v. Albert D. Adam, Respondent

Case Number: 06-00971

Hearing Site: Los Angeles, California

---

Nature of the Dispute: Customer v. Associated Person

**REPRESENTATION OF PARTIES**

For Claimant:

Audrey Shaps  
In Propria Persona  
Thousand Oaks, California

For Respondent:

Judy Louie, Esq.  
Wachovia Securities, LLC  
Pasadena, California

**CASE INFORMATION**

Statement of Claim filed: February 25, 2006

Amendment to Statement of Claim filed: March 6, 2006

Second Amendment to Statement of Claim filed: March 14, 2006

Claimant's Uniform Submission Agreement signed: February 25, 2006

Statement of Answer filed by Respondent: March 27, 2006

Respondent's Uniform Submission Agreement signed: March 27, 2006

**CASE SUMMARY**

In her Statements of Claim, Claimant alleged unsuitability, misrepresentations, non-disclosures, and omission of facts. Claimant's allegations involved the purchase of securities in a Sovereign Bank CD, a First Trust unit investment trust consisting of corporate bonds, and a PruChoice (a/k/a CustomChoice) managed account consisting of various mutual funds.

Unless specifically admitted in his Answer, Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested \$8,000.00 in compensatory damages. In the Amendment to the Statement of Claim, Claimant increased her compensatory damages to \$14,668.00 and added a request for \$500.00 in interest. In the Second Amendment to the Statement of Claim, Claimant increased her compensatory damages to \$14,902.00.

Respondent requested dismissal of Claimant's Statement of Claim in its entirety, expungement of Respondent's registration records maintained by the NASD Central Registration Depository ("CRD"), and costs.

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

On March 6, 2006 and March 14, 2006, Claimant filed Amendments to the Statement of Claim pursuant to the NASD Code of Arbitration Procedure ("Code") Rule 10328(a).

The Award was served in this matter on October 11, 2006. On October 16, 2006, Respondent filed a request for clarification of the Award to determine if the Arbitrator denied Respondent's request for expungement of his registration records maintained by the CRD. On October 21, 2006, Claimant filed a response to Respondent's request for clarification. This Amended Award is issued to address Respondent's request for clarification. The Arbitrator rules that Respondent's request for expungement was denied in the Award issued on October 11, 2006, and is specifically denied in this Amended Award.

The parties agreed that a handwritten, signed Award may be entered.

### **AWARD**

After considering the pleadings, testimony, and evidence presented at the hearing, the Arbitrator decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims are denied in their entirety.
- 2) Respondent's request for expungement of his registration records maintained by the CRD is denied.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) All other relief requested and not expressly granted 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 | = \$ 125.00 |
|--------------------------|-------------|

#### **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 employed the Respondent at the time of the events giving rise to this dispute and the following fees are assessed:

|                          |                    |
|--------------------------|--------------------|
| <u>Member Surcharge</u>  | = \$ 425.00        |
| <b>Total Member Fees</b> | <b>= \$ 425.00</b> |

### **Forum Fees and Assessments**

The Arbitrator 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, including a pre-hearing conference with the Arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Decision on a discovery-related motion on the papers  
with one arbitrator @ \$200.00 = \$ 200.00

Claimant submitted 1 discovery-related motion

1 Pre-hearing conference session with one arbitrator @ \$450.00/session = \$ 450.00  
Pre-hearing conference: June 14, 2006 1 session

2 Hearing sessions @ \$450.00/session = \$ 900.00  
Hearing: October 10, 2006 2 sessions

---

**Total Forum Fees = \$1,550.00**

The Arbitrator assessed the entire balance of the forum fees to Respondent Albert D. Adam.

### **Fee Summary**

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

|                                |                      |
|--------------------------------|----------------------|
| Initial Filing Fee             | = \$ 125.00          |
| <u>Less payments</u>           | = \$ (575.00)        |
| <b>Refund Paid to Claimant</b> | <b>= \$ (450.00)</b> |

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

|   |                  |
|---|------------------|
| Forum Fees  | = \$ 1,550.00    |
| <u>Less payments made by Wachovia Securities, LLC</u> | = \$(1,550.00)   |
| <b>Balance Due NASD Dispute Resolution</b>            | <b>= \$ 0.00</b> |

3. Wachovia Securities, LLC is charged with the following fees and costs:

|  |                      |
|--|----------------------|
| Member Fees                                    | = \$ 425.00          |
| <u>Less payments</u>                           | = \$ (750.00)        |
| <b>Refund Paid to Wachovia Securities, LLC</b> | <b>= \$ (325.00)</b> |

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.

**ARBITRATOR**

Arthur F. Brueggeman

- Public Arbitrator, Presiding Chair

**Arbitrator's Signature**



Arthur F. Brueggeman  
Chair, Public Arbitrator

12-1-06  
Signature Date

12/4/06  
Date of Service