

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Wachovia Securities, LLC, Claimant v. Kyle Harrington, Respondent

Kyle Harrington, Counter-Claimant v. Wachovia Securities, LLC, Counter-Respondent

Case Number: 06-01410

Hearing Site: San Francisco, California

Nature of the Disputes: Member Firm v. Associated Person
 Associated Person v. Member Firm

REPRESENTATION OF PARTIES

For Claimant/Counter-Respondent
("Claimant"):

Timothy N. Will, Esq.
Albert & Will, LLP
Torrance, California

For Respondent/Counter-Claimant
("Respondent"):

Robert Joseph Pia, Esq.
MBV Law, LLP
San Francisco, California

CASE INFORMATION

Statement of Claim filed: March 13, 2006

Claimant's Uniform Submission Agreement signed: February 15, 2006

Statement of Answer and Counterclaim filed by Respondent: May 11, 2006

Respondent's Uniform Submission Agreement signed: April 11, 2006

Answer to Counterclaim filed by Claimant: May 25, 2006

CASE SUMMARY

Claimant alleged breach of promissory note dated 7/18/2002. Respondent was formerly employed by Claimant.

Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses. In his counterclaim, Respondent alleged fraud and deceit/constructive fraud, breach of contract, promissory estoppel, slander/defamation, false light – invasion of privacy, intentional infliction of emotional stress, negligent infliction of emotional stress, and failure to pay wages and labor code penalties relating to his former employment with Claimant.

Claimant denied the allegations of wrong doing set forth in Respondent's Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested \$526,340.29 in principal balance, interest at the rate of 5% beginning from June 10, 2005, and costs, including attorney's fees.

Respondent requested dismissal of Claimant's Statement of Claim in its entirety, unspecified compensatory damages, punitive damages, interest, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On December 4, 2006, Claimant advised NASD that the parties reached a settlement and provided NASD with the parties' Stipulation to Enter NASD Award. According to the stipulation, "the Stipulated Award shall not be enforced against Respondent so long as Respondent is in compliance with the Settlement Agreement."

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

STIPULATED AWARD

After considering the parties Stipulation to Enter NASD Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent is liable to and shall pay Claimant the sum of \$576,699.00 in compensatory damages.
- 2) Respondent is liable to and shall pay Claimant interest at the rate of 5% per annum on the outstanding balance from December 8, 2006, until the date compensatory damages are paid in full to Claimant.
- 3) The parties shall bear their respective costs, including attorney's fees, except as otherwise provided in the Settlement Agreement signed by the parties.
- 4) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure, 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	= \$ 1,250.00
Respondent Counterclaim filing fee	= \$ 250.00

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, is a party and the following fees are assessed:

Member Surcharge	= \$ 2,250.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 4,000.00
Total Member Fees	= \$ 7,000.00

Forum Fees and Assessments

The Panel assessed forum fees for each session conducted or each decision rendered on a discovery-related motion decided 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:

(1) Pre-hearing conference session with a single arbitrator = \$ 450.00
@ \$450.00/session

Pre-hearing conference: August 28, 2006 1 session

(1) Pre-hearing conference session with the Panel @ \$1,200.00/session = \$ 1,200.00

Pre-hearing conference: August 7, 2006 1 session

Total Forum Fees	= \$ 1,650.00
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1. Claimant agreed to pay for half, or \$825.00, of the forum fees.
2. Respondent agreed to pay for half, or \$825.00, of the forum fees.

Fee Summary

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

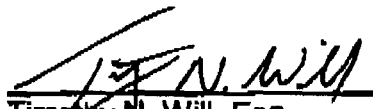
Initial Filing Fee	= \$ 1,250.00
Member Fees	= \$ 7,000.00
Forum Fees	= \$ 825.00
Total Fees	= \$ 9,075.00
Retained Deposit, pursuant to Rule 10332(f)	= \$ 375.00
Less payments	= \$(7,650.00)
Balance Due NASD Dispute Resolution	= \$ 1,800.00

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

Counterclaim Filing Fee	= \$ 250.00
Forum Fees	= \$ 825.00
Total Fees	= \$ 1,075.00
Retained Deposit, pursuant to Rule 10332(f)	= \$ 175.00
Less payments	= \$(1,250.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

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.

Parties' Signatures



Timothy N. Will, Esq.
Attorney for Claimant

12/20/06

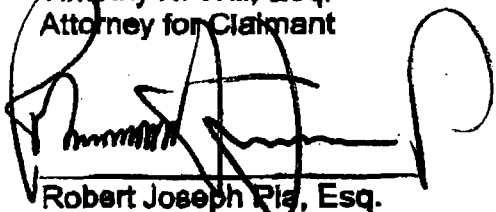
Signature Date

Robert Joseph Pla, Esq.
Attorney for Respondent

Signature Date

Parties' Signatures

Timothy N. Will, Esq.
Attorney for Claimant

A handwritten signature in black ink, appearing to read "Robert Joseph Pila", written over a horizontal line.

Robert Joseph Pila, Esq.
Attorney for Respondent

Signature Date

December 22, 2006

Signature Date

ARBITRATION PANEL

Marilyn Burrill O'Toole	-	Public Arbitrator, Presiding Chair
Michelle Brant	-	Public Arbitrator
Thomas H. O'Connor	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Marilyn Burrill O'Toole
Marilyn Burrill O'Toole
Chair, Public Arbitrator

12/23/2006
Signature Date

Michelle Brant
Michelle Brant
Public Arbitrator

Signature Date

Thomas H. O'Connor
Thomas H. O'Connor
Non-Public Arbitrator

Signature Date

12/28/06
Date of Service
(NASD Use Only)

ARBITRATION PANEL

Marilyn Burrill O'Toole	-	Public Arbitrator, Presiding Chair
Michelle Brant	-	Public Arbitrator
Thomas H. O'Connor	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Marilyn Burrill O'Toole
Chair, Public Arbitrator

Signature Date

Michelle Brant
Michelle Brant
Public Arbitrator

12.25.06
Signature Date

Thomas H. O'Connor
Non-Public Arbitrator

Signature Date

12/28/06
Date of Service
(NASD Use Only)

ARBITRATION PANEL

Marilyn Burrill O'Toole	-	Public Arbitrator, Presiding Chair
Michelle Brant	-	Public Arbitrator
Thomas H. O'Connor	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Marilyn Burrill O'Toole
Chair, Public Arbitrator


Signature Date

Michelle Brant
Public Arbitrator

Signature Date



Thomas H. O'Connor
Non-Public Arbitrator



Signature Date

12/28/06

Date of Service
(NASD Use Only)