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**NASD REGULATION, INC. AWARD**

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In the Matter of the Arbitration Between

Name of Claimant

Dowin Beavers

and

Case Number 98-02054

Names of Respondents

Stephens, Inc.,  
Wells Fargo Securities, Inc., and  
D. Wayne Treat

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**REPRESENTATION OF PARTIES**

Dowin Beavers (hereafter referred to as "Claimant") was represented by Mark C. Harwell, Esquire of Cotham Harwell & Evans, located in Houston, Texas.

Wells Fargo Securities, Inc., Stephens, Inc. and D. Wayne Treat (hereafter collectively referred to as "Respondents") were represented by Robert T. Sullwold, Esquire of Sullwold & Hughes, located in San Francisco, California.

**CASE INFORMATION**

The Statement of Claim of Claimant was filed on or about June 4, 1998.

The Submission Agreement of Claimant was signed on June 3, 1998.

The Joint Statement of Answer of Respondents was filed on or about July 29, 1998.

The Submission Agreement of Respondent Wells Fargo Securities was signed on July 30, 1998 by Bruce Hagemann, Vice President.

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11/11/98

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The Submission Agreement of Respondent Stephens, Inc. was signed on July 24, 1998 by William B. Keisler, Vice President.

The Submission Agreement of Respondent D. Wayne Treat was signed on July 31, 1998.

### **HEARING INFORMATION**

A pre-hearing conference was held on December 3, 1998 for one (1) pre-hearing session.

The hearing was held on February 2 and 3, 1999 for two (2) hearing sessions each day in Houston, Texas.

### **CASE SUMMARY**

This case involved the attempt by Claimant, Dowin Beavers to sell 12,000 shares of restricted stock in Trinity Gas Corporation. Claimant contended that Respondents, Wells Fargo Securities, Inc., Stephens, Inc. and D. Wayne Treat were negligent in their handling of the transaction under Rule 144 and that, as a result of their negligence, Claimant was deprived of \$39,919.81 in sale proceeds. Respondents contend that they acted in accordance with industry standards and that the transaction failed because the transfer agent could not obtain the required legal opinion from the issuer's counsel.

### **RELIEF REQUESTED**

Claimant requested an award in the amount of \$39,919.81 in actual damages; an undisclosed amount of punitive damages; attorneys' fees; costs; pre-award and post-award interest.

Respondents requested that the claims asserted against them be denied in their entirety.

### **OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed to receive conformed copies of the award while the original remains on file with the NASD Regulation, Inc. Office of Dispute Resolution..

**AWARD**

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

1. Respondent Wells Fargo Securities, Inc. is liable for and shall pay to Claimant Dowin Beavers the sum of \$4,000.00 in actual damages plus simple interest on this amount at a rate of 6% beginning thirty (30) days after receipt of this award until paid;
2. The claims submitted by Claimant Dowin Beavers against Respondents Stephens, Inc. and D. Wayne Treat are denied in their entirety and dismissed with prejudice.
3. Other than forum fees addressed below, all claims and relief requests not specifically awarded are denied in their entirety and dismissed with prejudice.

**OTHER COSTS**

Pursuant to Rule 10333 of the Code, Respondent Well Fargo Securities, Inc. has paid the \$800.00 member surcharge and the \$200.00 pre-hearing processing fee previously invoiced. In addition, Respondent Wells Fargo Securities, Inc. shall pay to the NASD Regulation, Inc. Office of Dispute Resolution the \$400.00 pre-hearing processing fees and the \$1,000.00 hearing processing fee. Respondent Stephens, Inc. shall pay to the NASD Regulation, Inc. Office of Dispute Resolution the \$800.00 member surcharge, the \$600.00 pre-hearing processing fee and \$1,000.00 hearing processing fee.

**FORUM FEES**

Forum fees are calculated at the rate of \$400.00 per hearing session and \$300.00 for each pre-hearing conference, if any. There was one (1) pre-hearing session x \$300.00 plus there were four (4) hearing sessions x \$400.00 = \$1,900.00 in forum fees. Pursuant to Rule 10332(b) of the Code of Arbitration Procedure (the "Code"), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to Rule 10332(c) of the Code, the NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee in the amount of \$120.00 and shall retain as forum fees the hearing session deposit in the amount of \$400.00 previously deposited with the NASD Regulation, Inc. Office of Dispute Resolution by the Claimant. Respondent Wells Fargo Securities, Inc. is liable for and shall pay to Claimant Dowin Beavers the sum of \$400.00 as reimbursement of the hearing session deposit. Respondent Wells Fargo Securities, Inc. is also

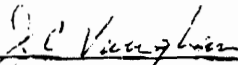
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liable for and shall pay to the NASD Regulation, Inc. Office of Dispute Resolution the sum of \$1,500.00 in forum fees.

**Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.**

Arbitrators' Signatures:

Dated:

  
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Jack Chapline Vaughan, Esquire  
Public Arbitrator, Presiding Chair

3/12/99

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Frank M. Romano  
Public Arbitrator, Panelist

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James M. Alexander  
Industry Arbitrator, Panelist

For NASD use only:  
Date served:

NASD Regulation, Inc. Office of Dispute Resolution

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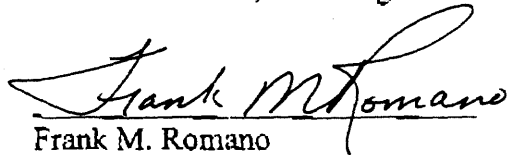
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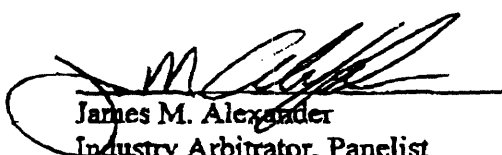
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March 15, 1998

For NASD use only:  
Date served: