

Award
NASD Regulation, Inc.

In **the** Matter of **the** Arbitration Between:

Judythe **A. Janiak**, Claimant v. Wells Fargo Securities, Inc. and **Wells Fargo Bank**. Respondents

Case Number, 99-00553

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

.Matthew R. Rutherford, Esq.,
Law Offices of
Matthew R. Rutherford
San Diego, California

For Respondent **Wells Fargo Securities, Inc**

Robert T. Sullwold, Esq.
Sullwold & Hughes
San Francisco, California

CASE INFORMATION

Statement of Claim filed: **March 31, 1999**

Claimant's Uniform Submission Agreement **signed**: February 4, 1999

Statement of Answer **filed by** Respondent **Wells Fargo Securities Inc.**: May 18, 1999

Respondent **Wells Fargo Securities, Inc.**'s Uniform Submission **Agreement** signed: June 21, 1999

CASE SUMMARY

Claimant alleged: suitability, breach of fiduciary duty, constructive fraud, and **failure** to supervise in connection with the purchase and attempted sale of **restricted shares** of **TravelMax stock**.

Respondent **Wells Fargo Securities Inc.** denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in **the** amount of \$101,000.00, lost income and opportunity cost damages in the amount of \$800,000.00, damages for emotional distress in the amount of \$300,000.00, punitive damages of \$1,000,000.00, attorney's fees, and costs.

Respondent Wells Fargo Securities, Inc. requested dismissal **of** the Claimants' Statement of Claim in its **entirety**.

OTHER ISSUES CONSIDERED AND DECIDED

Wells Fargo Bank is not **a** member of the **NASD** and did not consent to **NASD** jurisdiction

On January 24, 2000, the Arbitration Panel **granted** Claimant's Motion to Amend the Statement of Claim.

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, testimony and evidence presented at the hearing, the Panel decided in full and final resolution of the **issues** submitted for determination **as** follows:

- 1) Wells **Fargo** Securities, Inc. **is** liable **to** and shall pay Claimant the sum of \$50,000.00 in compensatory damages for failure to adequately supervise the activities in Claimant's account and **provide** subsequent service and **support**.
- 2) Claimant's claim for punitive damages is denied in its **entirety**.
- 3) Each **party** shall bear **its own** costs, including attorney's fees.
- 4) **All** other relief not expressly granted is denied,

FEES

Pursuant to the Code, the following fees are assessed

Filing Fees

NASD Regulation, Inc. has received or will collect the non-refundable filing fees for each claim as follows:

Initial claim 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 event of the dispute. Accordingly, the member firm Wells Fargo Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$2,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$4,500.00</u>
Total Member Fees	= \$7,600.00

Adjournment Fees

The following adjournment fees are assessed:

Respondent Wells Fargo Securities, Inc. for the
March, 2000 hearing dates = \$ 1,000.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed

(2) Pre-hearing conference sessions with the Panel @ \$1,000.00/session	= \$ 2,000.00
Pre-hearing conference: October 11, 1999	1 session
February 1, 2000	1 session
(4) Hearing sessions @ \$1,000.00/session	= \$4,000.00
Hearings: June 7, 2000	2 sessions
June 8, 2000	2 sessions
<hr/> Total Forum Fees	<hr/> = \$ 6,000.00

The Arbitration Panel has assessed \$6,000.00 of the forum fees to Wells Fargo Securities, Inc.

Fee Summary

1. Claimant Judythe A. Janiak, is charged the following fees and costs:


Initial Filing Fee	= \$ 250.00
<u>Less payments</u>	<u>= \$(1,400.00)</u>
Refund Due Claimant	= \$(1,150.00)

2. Respondent Wells Fargo Securities, Inc. is charged with the following fees and costs:

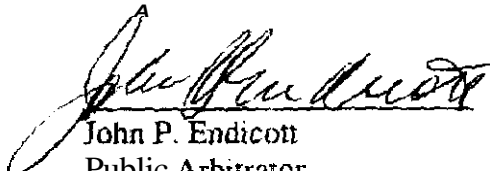
Member Fees	= \$ 7,600.00
Adjournment Fee	= \$ 1,000.00
<u>Forum Fees</u>	<u>= \$ 6,000.00</u>
Total Fees	= \$14,600.00
<u>Less payments</u>	<u>= \$ (7,600.00)</u>
Balance Due NASD Regulation, Inc.	= \$ 7,000.00

All balances are payable to NASD Regulation, Inc. and are due within 30 days of the Award's date of service.

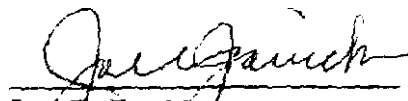
Concurring Arbitrators' Signatures


Homer L. White
Chair, Public Arbitrator

6/14/00
Signature Date


John P. Endicott
Public Arbitrator

6/14/00
Signature Date


Joel D. Davidman
Non-Public Arbitrator

6/17/03
Signature Date

6/14/00 ---
Date of Service