

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Wells Fargo Securities, Inc., Claimant v. Jay L. Rogers and Bear Stearns & Co., Inc., Respondents

Case Number: 01-01239

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant Wells Fargo Securities, Inc.:

Dan P. Sedor, Esq.
Jennifer Rappoport, Esq.
Louise Ann Fernandez, Esq.
Jeffer, Mangels, Butler & Marmaro LLP
Los Angeles, California

For Respondent Bear, Stearns & Co., Inc.:

Michael J. Kump, Esq.
Greenberg Glusker Fields Claman
Machtinger & Kinsella LLP
Los Angeles, California

For Respondent Jay L. Rogers:

Robert M. Barta, Esq.
Rosoff, Schiffres & Barta
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: March 11, 2001

Amended Statement of Claim filed: March 13, 2001

Claimant's Uniform Submission Agreement signed: March 11, 2001

Joint Statement of Answer and Counterclaim filed by Respondents Bear, Stearns & Co., Inc.
("Bear Stearns") and Jay L. Rogers ("Rogers"): April 27, 2001

Counterclaim filed by Jay L. Rogers: April 25, 2001

Respondent Bear, Stearns & Co., Inc.'s Uniform Submission Agreement signed: April 27, 2001

Respondent Jay L. Roger's Uniform Submission Agreement signed: May 3, 2001

Claimant and Counter-Respondent Wells Fargo Securities, Inc.'s Answer to Bear Stearns' and Rogers' Joint Counterclaim filed: May 8, 2001

Claimant and Counter-Respondent Wells Fargo Securities, Inc.'s Answer to Rogers' Counterclaim filed: May 11, 2001

CASE SUMMARY

Claimant alleged misappropriation of trade secrets, interference with prospective economic advantage, breach of contract, unfair competition, breach of fiduciary duty, claim and delivery, conversion, and trade libel.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and filed a Joint Counterclaim, alleging intentional interference with prospective economic advantage, unfair business practices and violations of the California Business and Professions Code Sections 16600 and 17200 et seq.

Counter-Respondent Wells Fargo denied the allegations of wrongdoing set forth in Respondents' Joint Counterclaim.

Respondent Rogers filed a Counterclaim on his own behalf alleging wrongful termination, breach of contract, and defamation by libel, interference with prospective economic benefit, and conversion.

Counter-Respondent Wells Fargo denied the allegations of wrongdoing set forth in Respondent Rogers' Counterclaim.

RELIEF REQUESTED

Claimant requested injunctive relief, compensatory damages according to proof, punitive damages according to proof, and reimbursement of costs, including attorney's fees.

Respondents Bear Stearns and Rogers requested dismissal of the Claimant's Statement of Claim in its entirety and reimbursement of costs, including attorney's fees.

Counterclaimants Bear Stearns and Rogers requested a declaration that the covenant in Wells Fargo's agreement is void and unenforceable and that the conduct in sending of the Form Letter to Rogers' clients is consistent with and allowed by the custom and practice in the securities industry, injunctive relief, compensatory damages according to proof, punitive damages according

to proof, and reimbursement of costs, including attorney's fees.

Counterclaimant Rogers requested damages according to proof, punitive damages in such amount as the arbitrators determine, and reimbursement of costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

An order granting a preliminary injunction against Bear Stearns & Co., Inc. and Jay L. Rogers was issued by the Los Angeles Superior Court on April 25, 2001.

The parties 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 the Parties request for this stipulated award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Rogers is enjoined permanently from soliciting, directly or indirectly, any customer, or prospective customer, that Rogers served or that became known to Rogers as a result of his employment with Wells Fargo (excluding Rogers' immediate family members, relatives, or any pre-existing customers serviced by Rogers prior to his employment with Wells Fargo);
2. Bear Stearns is enjoined permanently from soliciting, directly or indirectly, any customer, or prospective customer, that became known to Bear Stearns as a result of Rogers' employment with Wells Fargo (excluding Rogers' immediate family members, relatives, or any pre-existing customers serviced by Rogers prior to his employment with Wells Fargo);
3. Rogers and Bear Stearns shall immediately return to Wells Fargo all customer lists and records (including electronic data files) regarding customers or prospective customers that became known to Rogers as a result of his employment with Wells Fargo, and any and all copies of such customer lists and records known to Rogers and Bear Stearns, stored in any format or media, which were not previously returned to Wells Fargo; and,
4. Wells Fargo, on the one hand, and the Rogers and Bear Stearns, on the other hand, shall each bear their own costs and attorneys' fees incurred herein and in the action entitled Wells Fargo Securities, Inc. v. Jay L. Rogers, et al., Los Angeles County Superior Court Case No. BC 246564.

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	= \$ 500.00
Claimant Wells Fargo Securities, Inc.'s Injunctive Surcharge	= \$ 2,500.00
Respondents Bear Stearns' and Rogers' Joint Counterclaim filing fee	= \$ 500.00
Respondent Bear Stearns' and Rogers' Injunctive Surcharge	= \$ 2,500.00
Respondent Rogers' 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 Wells Fargo Securities, Inc. and Bear Stearns & Co., Inc. are parties and the following fees are assessed to each:

Member Surcharge	= \$ 1,200.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	= \$ 2,000.00
Total Member Fees	= \$ 3,800.00

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:

One (1) Pre-hearing conference session with the Panel @ \$1,000.00/session	= \$1,000.00
Pre-hearing conference: August 16, 2001 1 session	

Total Forum Fees	= \$1,000.00
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1. The Panel assessed \$500.00 of the forum fees to Claimant Wells Fargo Securities, Inc.
2. The Panel assessed \$500.00 of the forum fees jointly and severally to Respondents Bear Stearns & Co., Inc. and Jay L. Rogers.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Claimant, Wells Fargo Securities, Inc. requested Past Arbitrators' Awards: = \$ 20.00
Respondent, Bear Stearns & Co., Inc., requested Past Arbitrators' Awards: = \$ 70.00

Fee Summary

1. Claimant, Wells Fargo Securities, Inc., is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Member Fees	= \$ 3,800.00
Injunctive Surcharge	= \$ 2,500.00
Forum Fees	= \$ 500.00
<u>Administrative Costs</u>	<u>= \$ 20.00</u>
Total Fees	= \$ 7,320.00
Retained Deposit pursuant to Rule 10332(f)	= \$ 500.00
<u>Less payments</u>	<u>= \$(8,220.00)</u>
Refund Due from NASD Dispute Resolution	= \$(400.00)

2. Respondent, Bear Stearns, Inc. is charged with the following fees and costs:

Member Fees	= \$ 3,800.00
<u>Administrative Costs</u>	<u>= \$ 70.00</u>
Total Fees	= \$ 3,870.00
<u>Less payments</u>	<u>= \$(4,500.00)</u>
Refund Due from NASD Dispute Resolution	= \$(630.00)

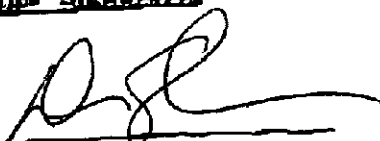
3. Respondents, Bear Stearns, Inc. and Jay L. Rogers, are charged jointly and severally with the following fees and costs:

Counterclaim Filing Fee	= \$ 500.00
Injunctive Surcharge	= \$ 2,500.00
Forum Fees	= \$ 500.00
Total Fees	= \$ 3,500.00
Retained Deposit pursuant to Rule 10332(f)	= \$ 500.00
<u>Less payments by Bear Stearns & Co., Inc.</u>	<u>= \$(4,000.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

4.	Respondent, Jay L. Rogers, is charged with the following fees and costs:	
	Counterclaim Filing Fee	= \$ 250.00
	<u>Retained Deposit pursuant to Rule 10332(f)</u>	<u>= \$ 1,000.00</u>
	Total Fees	= \$ 1,250.00
	Less payments by Jay L. Rogers	= \$ (875.00)
	<u>Less payments by Bear Stearns & Co., Inc.</u>	<u>= \$ (375.00)</u>
	Balance Due NASD Dispute Resolution	= \$ 0.00

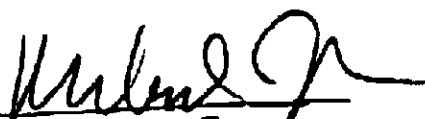
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

Parties' Signatures



Dan P. Sedlor, Esq.
Jeffer, Mangels, Butler & Marmaro LLP
for Claimant Wells Fargo Securities, Inc.

12/9/02
Signature Date



Michael J. Kump, Esq.
Greenberg Glusker Fields Claman
Machring & Kinsella LLP
for Respondent Bear Stearns

12/9/02
Signature Date



Robert Barta, Esq.
Rosen, Schiffres & Barta
for Respondent Jay L. Rogers

12/6/02
Signature Date

ARBITRATION PANEL

John B. Wells
Jon A. Bosron
Richard B. Bullock

- Non-Public Arbitrator, Presiding Chair
- Non-Public Arbitrator
- Non-Public Arbitrator

Consenting Arbitrators' Signatures



John B. Wells
Chair, Non-Public Arbitrator

12/12/02
Signature Date

Jon A. Bosron
Non-Public Arbitrator

Signature Date

Richard B. Bullock
Non-Public Arbitrator

Signature Date

12/12/02
Date of Service

ARBITRATION PANEL

John B. Wells
Jon A. Bostron
Richard B. Bullock

Non-Public Arbitrator, Presiding Chair
Non-Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

John E. Wells
Chair, Non-Public Arbitrator

Signature Date


Jon A. Bostron
Non-Public Arbitrator

12/11/02
Signature Date

Richard B. Bullock
Non-Public Arbitrator

Signature Date

12/12/02
Date of Service

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Signature Date

Jon A. Boström
Non-Public Arbitrator

Signature Date


Richard B. Bullock
Non-Public Arbitrator

12/11/02
Signature Date

12/12/02
Date of Service