

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Leona M. Clothakis IRA, Claimant v. First Security Van Kasper and Brian Olton, Respondents

Case Number: 01-02487

Hearing Site: San Francisco, California

REPRESENTATION OF PARTIES

For Claimant:

Anthony M. Englese, Esq.
San Francisco, California

For Respondent First Security Van Kasper:

Gordon C. Young, Esq.
Keesal, Young & Logan
San Francisco, California

For Respondent Brian Olton:

Brian Olton
Punta Gorda, Florida

CASE INFORMATION

Statement of Claim filed on or about: May 10, 2001

Claimant's Uniform Submission Agreement signed: May 1, 2001

Statement of Answer filed by Respondent, First Security Van Kasper, also known as Wells Fargo Van Kasper ("FSVK"), on or about: August 6, 2001

CASE SUMMARY

Claimant alleged the following claims with respect to investments in convertible debentures in Complete Management, Inc. and senior notes in Globalstar Corp.: 1) Violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5; 2) Violation of California Corporations Code; 3) Intentional Misrepresentation; and 4) Negligent Misrepresentations.

Respondent FSVK denied Claimant's allegations of wrongdoing and denied any liability to Claimant. Respondent FSVK also asserted affirmative defenses.

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages in the sum of \$83,905.02, with interest thereon plus additional damages, including lost profits, according to proof;
2. Punitive damages in an amount to be determined by the Arbitrators;
3. Cost of suit, including reasonable attorneys' fees; and
4. Such other and further relief as the arbitration panel deems just and proper.

Respondent FSVK requested:

1. Dismissal of the Statement of Claim with prejudice;
2. Costs of suit; and
3. Such other and further relief as the Panel may deem proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent FSVK did not file with the NASD Dispute Resolution, Inc. ("NASD-DR") a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD-DR Code of Arbitration Procedure ("the Code") and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

Respondent Brian Olton did not file with NASD-DR a Statement of Answer or properly executed submission to arbitration. The Panel determined that Respondent Olton has been properly served with Claimant's Statement of Claim and further determined that Mr. Olton is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

Respondent Olton did not appear at the evidentiary hearing in this matter. Pursuant to Rule 10318 of the Code, the Panel determined that Mr. Olton received proper notice of the hearing and ruled to proceed in Mr. Olton's absence.

The parties present at hearing 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) Respondents FSVK and Olton are jointly and severally liable for and shall pay to Claimant, the sum of \$35,947.00. This award amount includes pre-judgment interest.

- 2) Respondents FSVK and Olton are jointly and severally liable for and shall pay to Claimant, the sum of \$225.00 as reimbursement for Claimant's filing fee.
- 3) Claimant's claim for punitive damages is denied.
- 4) Each party shall bear its own costs, including attorney's fees.
- 5) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD-DR received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$225.00
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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 which gave rise to the dispute, claim, or controversy. Accordingly, the member firm, FSVK, is a party and the following fees are assessed:

Member Surcharge	= \$1,000.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$1,500.00
Total Member Fees	= \$3,100.00

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:

(1) Pre-hearing conference session with the Panel @ \$750.00/session	= \$750.00
Pre-hearing conference: March 25, 2002 1 session	
 (2) Hearing sessions @ \$750.00/session	 = \$1,500.00
Hearings: June 4, 2002 1 session	
June 5, 2002 1 session	
 Total Forum Fees	 = \$2,250.00

The Panel assessed \$750.00 of the forum fees to Claimant.

The Panel assessed \$1,500.00 of the forum fees jointly and severally to Respondents FSVK and Olton.

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 other requests.

The parties did not incur administrative costs.

Fee Summary

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

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 750.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$ 975.00
<u>Less Payments</u>	= \$ (975.00)
Balance Due NASD-DR	= \$ 0.00

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

Member Fees	= \$ 3,100.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$ 3,100.00
<u>Less Payments</u>	= \$(1,600.00)
Balance Due NASD-DR	= \$ 1,500.00

3. Respondents, FSVK and Olton, are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,500.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$ 1,500.00
<u>Less Payments</u>	= \$ (0.00)
Balance Due NASD-DR	= \$ 1,500.00

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

ARBITRATION PANEL

David I. Levine, J.D.	-	Public Arbitrator, Presiding Chair
Nick G. Tarlson	-	Public Arbitrator
Rudy E. Thorwirth	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

David I. Levine, J.D.
Chair, Public Arbitrator

Signature Date

Nick G. Tarlson
Public Arbitrator

Signature Date

Rudy E. Thorwirth
Non-Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

David I. Levine, J.D.	-	Public Arbitrator, Presiding Chair
Nick G. Tarlson	-	Public Arbitrator
Rudy E. Thorwirth	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



David I. Levine, J.D.
Chair, Public Arbitrator

June 17, 2002
Signature Date

Nick G. Tarlson
Public Arbitrator

Signature Date

Rudy E. Thorwirth
Non-Public Arbitrator

Signature Date

6/21/02- MC
Date of Service


ARBITRATION PANEL

David I. Levine, J.D.	-	Public Arbitrator, Presiding Chair
Nick G. Tarlson	-	Public Arbitrator
Rudy E. Thorwirth	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

David I. Levine, J.D.
Chair, Public Arbitrator

Signature Date


Nick G. Tarlson
Public Arbitrator

6/19/02
Signature Date

Rudy E. Thorwirth
Non-Public Arbitrator

Signature Date

6/21/02 - MC
Date of Service

ARBITRATION PANEL

David L. Levine, J.D.	-	Public Arbitrator, Presiding Chair
Nick G. Tarlson	-	Public Arbitrator
Rudy E. Thorwirth	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

David L. Levine, J.D.
Chair, Public Arbitrator

Signature Date

Nick G. Tarlson
Public Arbitrator

Signature Date



Rudy E. Thorwirth
Non-Public Arbitrator

June 19, 2002

Signature Date

6/21/02-RUC

Date of Service