

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Renee Volker-Rector, as Conservator of
Sara Janelle Schodde and Kelly Anne Schodde, her
minor children

Case Number: 02-06119

Name of the Respondents

Wells Fargo Brokerage Services, Inc.
(f/k/a Norwest Investment Services) and
Tracy L. Frank

Hearing Site: Albuquerque, New Mexico

NATURE OF DISPUTE

Customer vs. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Michael J. Cadigan, Esq. of the Cadigan Law Firm, P.C. located in Albuquerque, New Mexico represented Claimant, Renee Volker-Rector ("Renee Rector"), as Conservator of Sara Janelle Schodde and Kelly Anne Schodde, her minor children, hereinafter referred to as "Claimant."

Gilbert R. Serota, Esq., of the law firm Howard, Rice, Nemerovski, Canady, Falk & Rabkin located in San Francisco, California represented Respondents, Wells Fargo Brokerage Services, Inc., f/k/a Norwest Investment Services ("Wells Fargo") and Tracy L. Frank ("Frank"), hereinafter referred to as "Respondents."

CASE INFORMATION

Statement of Claim filed on or about October 14, 2002.

Claimant, Renee Rector, signed the Uniform Submission Agreement on October 22, 2002.

Statement of Answer filed by Respondents, Wells Fargo Brokerage Services, Inc. and Tracy L. Frank, on January 6, 2003.

Respondent, Wells Fargo Brokerage Services, Inc. did not submit a Uniform Submission Agreement.

Respondent, Tracy L. Frank, did not submit a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: suitability and negligence. The causes of action relate to the order execution of stocks in Exodus Communications, Inc., Cisco Systems, Inc. and Van Kampen Emerging Growth Fund. Claimant asserted that these funds were high risk and aggressive in nature and were unsuitable for Claimant's investment needs and objectives.

Unless specifically admitted in its Answer, Respondents, Wells Fargo and Frank, denied the allegations made in the Statement of Claim and asserted the following defenses:

1. All claims are barred by the applicable statutes of limitation.
2. All claims are barred under the doctrines of ratification, estoppel, and waiver for the reason that Claimant specifically authorized each investment and received confirmations, monthly statements, annual reports and other information from the issuers and made no timely objection to the investments. As a result, Respondents justifiably concluded that she was fully aware of the investments and had fully authorized them.
3. All claims are barred by the doctrine of assumption of risk in that Claimant was fully aware of the nature of each of the investments and the risk associated with each, including the risks expressly stated in the mutual fund prospectus.
4. Claimant failed to mitigate her damages.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$100,000.00
Punitive Damages	\$100,000.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	unspecified

Respondents, Wells Fargo and Frank, requested that the Panel enter an award in favor of Respondents dismissing all claims and assessing all costs against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents, Wells Fargo Brokerage Services, Inc. (f/k/a Norwest Investment Services) and Tracy L. Frank, did not file with NASD Dispute Resolution, a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

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

1. Respondents, Wells Fargo Brokerage Services, Inc. (f/k/a Norwest Investment Services) and Tracy L. Frank are jointly and severally liable for and shall pay to Claimant, Renee Rector, Conservator for minor children, Kelly Anne Schodde and Sara Janelle Schodde, the sum of \$20,000.00 as compensatory damages. Interest shall accrue at the rate of 8.75% per annum commencing thirty (30) days from service of the Award until Award is paid in full.
2. Respondents, Wells Fargo Brokerage Services, Inc. (f/k/a Norwest Investment Services) and Tracy L. Frank are jointly and severally liable for and shall pay to Claimant, Renee Rector, Conservator for minor children, Kelly Ann Schodde and Sara Janelle Schodde, the sum of \$300.00 for reimbursement of the non-refundable NASD Dispute Resolution filing fee.
3. Parties shall bear their own costs, including attorneys' fees, except as specified herein.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Wells Fargo Brokerage Services, Inc. is a party to this case and the following fees are assessed:

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total fees	= \$5,200.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: December 22, 2003 1 session

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$1,125.00
Pre-hearing conference: July 31, 2003 1 session

Two (2) Hearing sessions @ \$1,125.00 = \$2,250.00

Hearing Date: January 26, 2004 2 sessions

Total Forum Fees = \$3,825.00

1. The Panel has assessed 100% of the total forum fees in the amount of \$3,825.00 jointly and severally to Respondents, Wells Fargo Brokerage Services, Inc. and Tracy L. Frank.

Fee Summary

1. Claimant, Renee Rector, is solely liable for:

Initial Filing Fee	= \$ 300.00
Less payments	= \$1,425.00
Refund from NASD Dispute Resolution	= \$1,125.00

2. Respondent, Wells Fargo Brokerage Services, Inc. is solely liable for:

Member Fees	= \$5,200.00
Less payments	= \$3,550.00
Balance Due NASD Dispute Resolution	= \$1,650.00

3. Respondents, Wells Fargo Brokerage Services, Inc. and Tracy L. Frank, are jointly and severally liable for:

Forum Fees	= \$3,825.00
Balance Due NASD Dispute Resolution	= \$3,825.00

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

ARBITRATION PANEL

Barry H. Barnett, Esq.	-	Public Arbitrator, Presiding Chairperson
Peter J. Broullire, III, Esq.	-	Public Arbitrator
Richard H. Follingstad	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Barry H. Barnett, Esq.
Public Arbitrator, Presiding Chairperson

2-3-04
Signature Date

Peter J. Broullire, III, Esq.
Public Arbitrator

2-4-04
Signature Date

Richard H. Follingstad
Non-Public Arbitrator

2-3-04
Signature Date

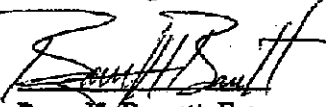
2-4-04
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
Arbitration No. _____
Award Page 5 _____

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Award Page 3

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