

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Larry Rutledge, Claimant v. Wells Fargo Investments, LLC and Phillip Loomis, Respondents

Case Number: 02-06824

Hearing Site: Reno, Nevada

Nature of the Dispute: Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimant:

Richard J. Edson, Esq.
Law offices of Richard J. Edson
Sacramento, California

For Respondents:

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

CASE INFORMATION

Statement of Claim filed: November 7, 2002

Claimant's Uniform Submission Agreement signed: October 10, 2002

Joint Statement of Answer filed by Respondents: January 16, 2003

Respondent Wells Fargo Investments, LLC's Uniform Submission Agreement signed:
December 30, 2002

CASE SUMMARY

Claimant alleged mutual fund switching violations, unsuitability, fraud, deceit, omission of material fact, misrepresentation, breach of fiduciary duty, and failure to supervise. Claimant's allegations involved the purchase of shares in Munder Net Net Fund, NK Wells Fargo Signature Core Portfolio, and Wells Fargo Specialized Technology Fund.

Respondents denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$55,004.00, disgorgement of commission revenue in the amount of \$12,000.00, unspecified punitive damages, pre-judgment

and post-judgment interest, and costs, including attorney's fees.

Respondents requested dismissal of Claimant's Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Phillip S. Loomis did not file with NASD Dispute Resolution a properly executed submission agreement, but he is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("the Code"), and having answered the claim, is bound by the determination of the Panel on all issues submitted

On February 25, 2004, Claimant notified NASD Dispute Resolution that the parties had settled this matter.

The Parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

After considering the pleadings 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. Claimant and Respondents have entered into a Settlement Agreement and Release of Claims regarding Claimant's claims against Respondents.
2. Pursuant to the Parties' Settlement Agreement, Claimant dismissed Respondent Phillip S. Loomis with prejudice.
3. Respondent Phillip S. Loomis did not make any monetary contribution to the settlement.
4. The arbitration is dismissed with prejudice.
5. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Phillip S. Loomis' registration records maintained by NASD's Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Phillip S. Loomis must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
6. Each side will bear its own attorney's fees, forum fees, and costs.

FEES

Pursuant to the Code of Arbitration Procedure ("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	= \$ 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 that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Wells Fargo Investments, LLC is a party, and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	= \$ 1,700.00
Total Member Fees	= \$ 3,550.00

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 Panel.

The following fees are assessed:

One (1) Pre-hearing conference session with the Panel @ \$750.00/session	= \$ 750.00
<u>Pre-hearing conference: July 21, 2003 1 session</u>	
Total Forum Fees	= \$ 750.00

1. The Panel assessed \$375.00 of the forum fees to Claimant Larry Rutledge.
2. The Panel assessed \$375.00 of the forum fees jointly and severally to Respondents Wells Fargo Investments, LLC and Phillip S. Loomis.

Fee Summary

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

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 375.00
<u>Hearing Session Deposit retained pursuant to Rule 10332(f)</u>	= \$ 375.00
Total Fees	= \$ 975.00
<u>Less payments</u>	= \$ (975.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Wells Fargo Investments, LLC is charged with the following fees and costs:

Member Fees	= \$ 3,550.00
<u>Less payments</u>	= \$ (3,925.00)
Refund due Respondent Wells Fargo Investments, LLC	= \$ (375.00)

3. Respondents Wells Fargo Investments, LLC and Phillip S. Loomis are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 375.00
<u>Less payments by Respondent Wells Fargo Investments, LLC</u>	= \$ (375.00)
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.

ARBITRATION PANEL

G. E. Craig Doupé, Esq.	-	Public Arbitrator, Presiding Chair
Robert E.L. Bonaparte	-	Public Arbitrator
Daniel Dunnington	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

G. E. Craig Doupé, Esq.
Chair, Public Arbitrator

Signature Date

Robert E.L. Bonaparte
Public Arbitrator

Signature Date

Daniel Dunnington
Non-Public Arbitrator

Signature Date

Date of Service

NASD Dispute Resolution

Stipulated Award

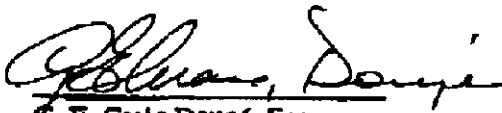
Page 5 of 5

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Daniel Dunnington

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

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G. E. Craig Doupe, Esq.
Chair, Public Arbitrator

7/25/04.
Signature Date

Robert E.L. Bonaparte
Public Arbitrator

Signature Date

Daniel Dunnington
Non-Public Arbitrator

Signature Date

7/27/04
Date of Service

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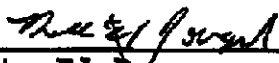
Public Arbitrator

Non-Public Arbitrator

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G. E. Craig Doupe, Esq.
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Robert E.L. Bonaparte
Public Arbitrator

7-26-04
Signature Date

Daniel Dunnington
Non-Public Arbitrator

Signature Date

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