

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Neal Riemer and Louise Krupa, Claimants v. Torrey Pines Securities, Inc. and William F. Gunderson, Respondents

Case Number: 04-01509

Hearing Site: San Diego, California

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

REPRESENTATION OF PARTIES

For Claimants:

Grant G. Teeple, Esq.
Gage Teeple, LLP
San Diego, California

For Respondents:

Eileen L. McGeever, Esq.
Rushall & McGeever
Carlsbad, California

CASE INFORMATION

Statement of Claim filed: March 3, 2004

Claimants' Joint Uniform Submission Agreement signed: December 19, 2003

Joint Statement of Answer filed by Respondents: May 4, 2004

Respondent Torrey Pines Securities, Inc.'s Uniform Submission Agreement signed: May 3, 2004

Respondent William F. Gunderson's Uniform Submission Agreement signed: April 27, 2004

CASE SUMMARY

Claimants alleged negligence, suitability, fraud, deceit, omissions, breach of fiduciary duty, breach of trust, violation of the Securities Exchange Act of 1934 and California Corporations Code §25401, et seq., failure to supervise, violation of NASD rules and regulations, breach of contract, and breach of the implied covenant of good faith and fair dealing. The dispute involved, but was not limited to, the purchase and/or sale of Wells Fargo Tech Fund B, Bookhan Tech, PALM, Ariba, Transwitch, VK Internet, and Corvis securities.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimant Neil Riemer requested compensatory damages in the amount of \$55,745.00 and Claimant Louis Krupa requested compensatory damages in the amount of \$74,219.00. Additionally, Claimants requested disgorgement of commissions and fees, a reasonable rate of return on the sums invested by Claimants, unspecified punitive damages, interest, and costs.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On November 1, 2004, Claimants and Claimants' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimants shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

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

- 1) Respondents are jointly and severally liable to and shall pay Claimant Neal Riemer \$25,000.00 in compensatory damages.
- 2) Respondents are jointly and severally liable to and shall pay Claimant Louise Krupa \$25,000.00 in compensatory damages.
- 3) Claimants' request for punitive damages is denied.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the *Code of Arbitration Procedure* ("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	= \$ 300.00
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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 Torrey Pines Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,750.00
Total Member Fees	= \$ 5,200.00

Adjournment Fees

The following adjournment fees are assessed:

Hearing Dates, July 19-20, 2005
adjournment requested by Claimants = \$ 1,125.00

The Panel assessed \$1,125.00 of the adjournment fee jointly and severally to Claimants.

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:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session = \$ 2,250.00
Pre-hearing conferences: January 13, 2005 1 session
July 15, 2005 1 session

Two (2) Hearing sessions @ \$1,125.00/session = \$ 2,250.00
Hearing: September 12, 2005 2 sessions

Total Forum Fees = \$ 4,500.00

1. The Panel assessed \$2,250.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$2,250.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 2,250.00
Total Fees	= \$ 3,675.00
Less payments	= \$(2,850.00)
Balance Due NASD Dispute Resolution	= \$ 825.00

2. Respondent Torrey Pines Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Torrey Pines Securities, Inc. and William F. Gunderson are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 2,250.00
Less payments by Torrey Pines Securities, Inc.	= \$(750.00)
Balance Due NASD Dispute Resolution	= \$ 1,500.00

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

William C. Stewart, Jr., J.D.

Public Arbitrator, Presiding Chair

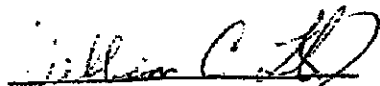
Robert W. Vernon, CPA

Public Arbitrator

Robert A. Yates

Non-Public Arbitrator

Concurring Arbitrators' Signatures



William C. Stewart, Jr., J.D.
Chair, Public Arbitrator

9/14/05
Signature Date

Robert A. Yates
Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Robert W. Vernon, CPA
Public Arbitrator

Signature Date

9/16/05
Date of Service

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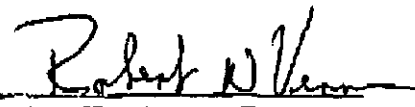
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