

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimants

Frank and Barbara Kelch, Kelch Family Trust, and Larae C. Kelch
Trust

and

04-01714
Phoenix, Arizona

Name of Respondents

Wells Fargo Investments, LLC
Gregg Novotny
Charles Elliott Gibbs, Jr.

Nature of the Dispute: Customers vs. Member and Associated Persons.

REPRESENTATION OF PARTIES

Frank and Barbara Kelch, Kelch Family Trust, and Larae C. Kelch Trust ("Claimants") were represented by James C. Lewis, Esq., Salt Lake City, Utah.

Wells Fargo Investments, LLC ("Respondent Wells Fargo"), Gregg Novotny ("Respondent Novotny") and Charles Elliott Gibbs, Jr. ("Respondent Gibbs") were represented by Richard A. Malm, Esq., Dickinson Mackaman Tyler & Hagen PC, Des Moines, Iowa.

CASE INFORMATION

The Statement of Claim was filed on or about March 12, 2004. Submission Agreement of Claimants Frank and Barbara Kelch, Kelch Family Trust, and Larae C. Kelch Trust was signed on December 29, 2003.

Respondents Wells Fargo Investments, LLC, Gregg Novotny, and Charles Elliott Gibbs, Jr. filed Statement of Answer on or about May 10, 2004. Submission Agreement of Respondent Wells Fargo Investments, LLC was signed on April 30, 2004. Submission Agreement of Respondent Gregg Novotny was signed on April 29, 2004. Submission Agreement of Respondent Charles Elliott Gibbs, Jr. was signed on May 4, 2004.

CASE SUMMARY

Claimants alleged that Respondent Wells Fargo Investments, LLC, and its representative Respondent Gregg Novotny, recommended unsuitable investments and misrepresented investments in certain mutual funds, a variable annuity, and two common stocks. Claimants also initially alleged that Wells Fargo Investments, LLC, and its representative Respondent Charles Gibbs subsequently recommended unsuitable investments and misrepresented investments in certain other mutual funds, but the claim involving Gibbs was voluntarily dismissed.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that the mutual funds, variable annuity and common stocks were suitable in light of the circumstances and investment objectives of the Claimants and were fully and properly disclosed.

RELIEF REQUESTED

Claimants requested an award in the amount of \$250,000 in compensatory damages, unspecified punitive damages, interest attorneys' fees and costs.

Respondents requested that the claims asserted against them be denied in its entirety and that they be awarded their costs and attorneys' fees. Respondent Gibbs also requested that the voluntary dismissal of the case against him be reflected in an order of dismissal and that the CRD record of this matter be expunged.

OTHER ISSUES CONSIDERED & DECIDED

The parties advised NASD Dispute Resolution that they entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies. The parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings and the stipulation of the parties, but without making any findings of fact or conclusions of law, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination and find as follows:

1. The claims asserted in this matter are dismissed.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Charles Elliott Gibbs, Jr.'s registration records maintained by the NASD

Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Charles Elliott Gibbs, Jr. must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is Wells Fargo Investments, LLC.

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

Adjournments requested during these proceedings:

Hearing Date(s), January 25-27, 2005 adjournment requested by the parties to mediate = \$1,125.00

Forum Fees and Assessments

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

1 Pre-hearing session(s) with Panel	x	1,125.00	\$	1,125.00
	July 28, 2004	1 session		
Total Forum Fees			\$	<u>1,125.00</u>

The Arbitration Panel has assessed \$562.50 of the forum fees to Frank and Barbara Kelch, Kelch Family Trust, and Larae C. Kelch Trust.

The Arbitration Panel has assessed \$562.50 of the forum fees jointly and severally to Wells Fargo Investments, LLC, Gregg Novotny, and Charles Elliott Gibbs, Jr.

Fee Summary

Claimants, Frank and Barbara Kelch, Kelch Family Trust, and Larae C. Kelch Trust shall be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$	300.00
<u>Forum Fees</u>	= \$	<u>562.50</u>
Total Fees	= \$	862.50
<u>Less payments</u>	= \$	<u>-1,425.00</u>
Balance to be refunded by NASD Dispute Resolution	= \$	- 562.50

Respondent, Wells Fargo Investments, LLC, shall be and hereby is liable for:

Member Fees	= \$	5,200.00
Total Fees	= \$	<u>5,200.00</u>
<u>Less payments</u>	= \$	<u>-5,200.00</u>
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, Wells Fargo Investments, LLC, Gregg Novotny, and Charles Elliott Gibbs, Jr., shall be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$	562.50
Total Fees	= \$	<u>562.50</u>
<u>Less payments</u>	= \$	<u>-0.00</u>
Balance Due NASD Dispute Resolution	= \$	562.50

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

I. Douglas Dunipace, Esq. - Public Arbitrator, Presiding Chair
Morris A. Kaplan, Esq. - Public Arbitrator
Gordon A. Price - Non-Public Arbitrator

Concurring Arbitrators:

/s/ I. Douglas Dunipace

I. Douglas Dunipace, Esq.
Public Arbitrator, Presiding Chair

February 3, 2005

Signature Date

/s/ Morris A. Kaplan

Morris A. Kaplan, Esq.
Public Arbitrator

February 3, 2005

Signature Date

/s/ Gordon A. Price

Gordon A. Price
Non-Public Arbitrator

February 7, 2005

Signature Date

2/8/05

Date of Service (For NASD office use only)

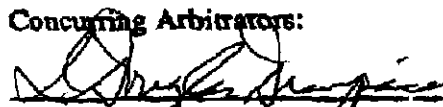
NASD Dispute Resolution
Arbitration No. 04-01714
Stipulated Award Page 5 of 5

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

I. Douglas Dunipace, Esq. - Public Arbitrator, Presiding Chair
Morris A. Kaplan, Esq. - Public Arbitrator
Gordon A. Price - Non-Public Arbitrator

Concurring Arbitrators:



I. Douglas Dunipace, Esq.
Public Arbitrator, Presiding Chair

2/3/2005

Signature Date

Morris A. Kaplan, Esq.
Public Arbitrator

Signature Date

Gordon A. Price
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 04-01714
Stipulated Award Page 5 of 5

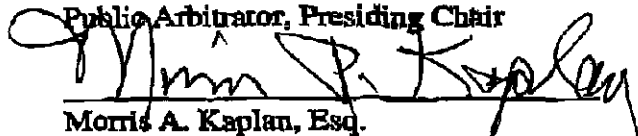
All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

I. Douglas Dunipace, Esq. - Public Arbitrator, Presiding Chair
Morris A. Kaplan, Esq. - Public Arbitrator
Gordon A. Price - Non-Public Arbitrator

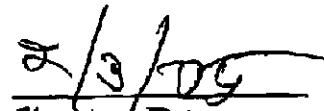
Concurring Arbitrators:

I. Douglas Dunipace, Esq.
Public Arbitrator, Presiding Chair



Morris A. Kaplan, Esq.
Public Arbitrator

Signature Date



Signature Date

Gordon A. Price
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 04-01714
Stipulated Award Page 5 of 5

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

I. Douglas Dunipace, Esq. - Public Arbitrator, Presiding Chair
Morris A. Kaplan, Esq. - Public Arbitrator
Gordon A. Price - Non-Public Arbitrator

Concurring Arbitrators:

I. Douglas Dunipace, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Morris A. Kaplan, Esq.
Public Arbitrator

Signature Date



Gordon A. Price
Non-Public Arbitrator

2-7-2005

Signature Date

Date of Service (For NASD office use only)