

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Imogene S. Kaufert, Claimant v. H. D. Vest Investment Services, Inc. and Beler Huy Watts, Jr.,
Respondents

Case Number: 04-05422

Hearing Site: San Francisco, California

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

REPRESENTATION OF PARTIES

For Claimant:

In Propria Persona
Pine Grove, California

For Respondents:

Thomas F. Kopshever, Esq.
Wells Fargo Law Department
San Francisco, California

CASE INFORMATION

Statement of Claim filed: July 29, 2004

Claimant's Uniform Submission Agreement signed: July 27, 2004

Joint Statement of Answer filed by Respondents: September 21, 2004

Respondent H. D. Vest Investment Services, Inc.'s Uniform Submission Agreement signed:
September 4, 2004

Respondent Beler Huy Watts, Jr.'s Uniform Submission Agreement signed: September 4, 2004

CASE SUMMARY

Claimant alleged negligence, breach of fiduciary duty, unsuitability, and failure to supervise.
Claimant's allegations involved investments in the Van Kampen Emerging Growth Fund.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of
Claim.

RELIEF REQUESTED

Claimant requested \$18,345.00 in compensatory damages, \$31,655.00 in punitive damages, interest at the rate of 3 percent beginning from September 2002, filing costs and prior attorney's fees.

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

OTHER ISSUES CONSIDERED AND DECIDED

On August 9, 2004, Claimant 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 Claimant 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.

During the evidentiary hearing, Respondents made a motion to dismiss Claimant's claims. The Arbitrator denied the motion.

AWARD

After considering the pleadings, testimony, and evidence presented at the hearing, the Arbitrator 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 the sum of \$18,345.00 in compensatory damages.
- 2) Respondents are jointly and severally liable to and shall pay Claimant the sum of \$780.00 in interest.
- 3) Claimant's claim 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, 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	= \$ 175.00
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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 H. D. Vest Investment Services, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 875.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,625.00

Forum Fees and Assessments

The Arbitrator 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 Arbitrator. The following fees are assessed:

(1) Pre-hearing conference session @ \$450.00/session	= \$ 450.00
Pre-hearing conference: November 12, 2004 1 session	

(2) Hearing sessions @ \$450.00/session	= \$ 900.00
Hearings: February 1, 2005 2 sessions	

Total Forum Fees	= \$1,350.00
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1. The Arbitrator assessed the entire \$1,350.00 in the forum fees jointly and severally to Respondents.

Fee Summary

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

Initial Filing Fee	= \$ 175.00
<u>Less payments</u>	<u>= \$ (625.00)</u>
Refund due Claimant	= \$ (450.00)

2. Respondent H. D. Vest Investment Services, Inc. is charged with the following fees and costs:

Member Fees	= \$ 2,625.00
<u>Less payments</u>	<u>= \$(1,625.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,000.00

3. Respondents H. D. Vest Investment Services, Inc. and Beler Huy Watts, Jr. are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,350.00
<u>Less payments</u>	<u>= \$ (0.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,350.00

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.

ARBITRATOR

Donald S. Green

- Public Arbitrator, Presiding Chair

Arbitrator's Signature

Donald S. Green
Chair, Public Arbitrator

Signature Date

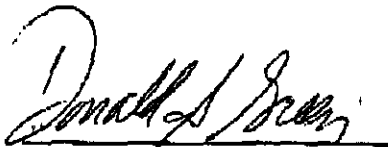
Date of Service

ARBITRATOR

Donald S. Green

Public Arbitrator, Presiding Chair

Arbitrator's Signature



Donald S. Green
Chair, Public Arbitrator

Feb 2, 2005
Signature Date

2/2/05
Date of Service