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**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Wells Fargo Investments, LLC,  
Claimant,

Case Number: 05-01482  
Hearing Site: Indianapolis, Indiana

v.

Gerald D. Cronenwett,  
Respondent.

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Nature of the Dispute: Member vs. Associated Person

**REPRESENTATION OF PARTIES**

Wells Fargo Investments, LLC ("Wells Fargo"), hereinafter referred to as "Claimant": Ronald Kane, Esq. and Diane C. Fischer, Esq. of Kane & Fischer, Ltd., located in Chicago, Illinois.

Gerald D. Cronenwett ("Cronenwett"), hereinafter referred to as "Respondent": *Pro se*.

**CASE INFORMATION**

Statement of Claim filed on or about: March 22, 2005

Wells Fargo signed the Uniform Submission Agreement: March 4, 2005

Motion to Bar Defenses filed: September 15, 2005

Cronenwett did not file an Answer to the Statement of Claim or a signed Uniform Submission Agreement.

**CASE SUMMARY**

Wells Fargo asserted the following causes of action: failure to repay promissory note.

**RELIEF REQUESTED**

Wells Fargo requested compensatory damages in the amount of \$43,567.92; interest accrued during the terms of the Note at the rate of 4% in the amount of \$71.55; interest accrued at the rate of 4% per annum on the balance due and owing under the Note from the date of default (November 16, 2004) through January 10, 2006 in the amount of \$2,003.40; costs in the amount of \$4,320.13 and attorney's fees in the amount of \$7,168.00; and any and all further relief that the Panel deems just and proper.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent, Gerald D. Cronenwett, did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

Respondent Cronenwett did not appear at the initial pre-hearing conference held on August 2, 2005. Upon review of the file and the representations made on behalf of the Claimant, Wells Fargo, the undersigned arbitrators (the "Panel") determined that Respondent, Gerald D. Cronenwett, has been properly served with the Statement of Claim and received due notice on July 21, 2005 and October 21, 2005 of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Pursuant to Wells Fargo's Motion to Bar Defenses, the Panel entered the following Order dated October 20, 2005:

1. NASD staff shall send a registered letter to Respondent serving as notification of changing the hearing date to an earlier date and hearing type to a telephonic hearing. The letter is to be sent to both Respondent's last known addresses and to Respondent's current employing Brokerage Firm's address (care of firm's compliance department) via overnight courier, signature required. The signature verification for both letters shall be provided to both the Panel and the Claimant upon request.
2. The letter shall serve as final notice to the Respondent that failure to file a written Answer and/or response as within ten (10) business days of the date of the letter (known hereafter as the notification period) will result in the hearing being rescheduled to an earlier date (subject to mutual agreement of the Panel and Claimant at a time of their choosing) and the type of hearing changed to a telephonic hearing.
3. The letter shall also inform the Respondent that the Panel, at its discretion, may choose to grant Claimant's Motion to Bar Defenses, and that as a result, Respondent shall be prevented from presenting a defense in this proceeding, if so granted.
4. The Panel chooses to defer the decision on the Motion to Bar Defenses until such time as the notification period outlined previously has passed. The Panel will rule on the Motion to Bar Defenses shortly thereafter.
5. Any and all costs associated with the above actions are to be allocated to the Respondent.

Pursuant the Panel's Order, NASD sent Cronenwett, via certified mail/return receipt requested, a request to respond to Claimant's Motion to Bar Defenses no later than November 4, 2005. Cronenwett did not file a response to said motion.

In an Order dated November 14, 2005, the Panel made the following ruling:

1. The Motion to Bar Defenses presented by Claimant is granted. Respondent is barred from presenting any type of defense in this proceeding.
2. The hearing type will be changed to telephonic. The hearing date will be

rescheduled to an earlier date that is agreeable to the Claimant and the Panel. NASD Dispute Resolution staff shall contact the Claimant and the Panel members to determine an agreeable time for Claimant and Panel.

NASD Dispute Resolution sent notice to the parties on December 13, 2005 that the hearing dates of March 7-8, 2006 have been canceled, and that the hearing would proceed telephonically on January 10, 2006. A copy of said notice was sent to Respondent Cronenwett via certified mail on December 13, 2005.

### **AWARD**

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

1. Respondent, Gerald D. Cronenwett, is solely liable for and shall pay Claimant, Wells Fargo Investments, Ltd., the sum of \$45,642.87, plus interest at the rate of 4% per annum to accrue from January 10, 2006 until the date the award is paid in full.
2. Respondent, Gerald D. Cronenwett, is solely liable for and shall pay Claimant, Wells Fargo Investments, Ltd., the sum of \$7,168.00 as attorney's fees. In deciding to award attorney's fees, the Panel considered the pleadings filed by counsel, as well as the arguments presented on behalf of Claimants, and determined that authority existed for an award of attorney's fees to the Claimant.
3. Respondent, Gerald D. Cronenwett, is solely liable for and shall pay Claimant, Wells Fargo Investments, Ltd., the sum of \$4,320.13 as costs. In deciding to award costs, the Panel considered the pleadings filed by counsel, as well as the arguments presented on behalf of Claimants, and determined that authority existed for an award of costs to the Claimant.
4. Except as otherwise specified herein, parties shall bear their own costs, including attorney's fees.
5. 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	= \$1,000.00
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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 Investments, LLC, is a party to this proceeding:

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,000.00

### **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 Panel @ \$600.00	= \$600.00
Pre-hearing conference: August 2, 2005 1 session	
One (1) Telephonic Hearing session @ \$600.00	= \$600.00
Hearing date: January 10, 2006 1 session	
Total Forum Fees	= \$1,200.00

The Panel has assessed \$1,200.00 of the forum fees solely to Respondent, Gerald D. Cronenwett.

### **Fee Summary**

1. Claimant, Wells Fargo Investments, Ltd, is solely liable for:	
Initial Filing Fee	= \$1,000.00
Member Fees	= \$2,625.00
Total Fees	= \$3,625.00
Less payments	= \$4,225.00
Refund Due from NASD Dispute Resolution	= \$ 600.00
2. Respondent, Gerald D. Cronenwett, is solely liable for:	
Forum Fees	= \$1,200.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,200.00

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

### **ARBITRATION PANEL**

Tim V. Young	-	Non-Public Arbitrator, Presiding Chairperson
Michael F. Fetsch, CFP	-	Non-Public Arbitrator
Robert H. Springer	-	Non-Public Arbitrator

### **Concurring Arbitrators' Signatures**

/s/ Tim V. Young  
Tim V. Young  
Non-Public Arbitrator, Presiding Chairperson

1/12/06  
Signature Date

/s/ Michael F. Fetsch, CFP  
Michael F. Fetsch, CFP  
Non-Public Arbitrator

1/12/06  
Signature Date

/s/ Robert H. Springer  
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Non-Public Arbitrator

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Date of Service (For NASD Dispute Resolution use only)

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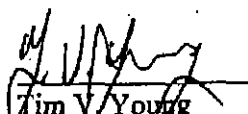
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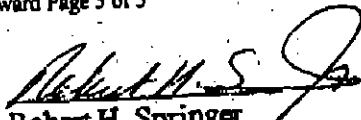
  
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