

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Freeman N. Harris and Dorothy J. Harris, Claimants v. Wells Fargo Investments, LLC and
Donovan L. Hilsabeck, Respondents

Case Number: 05-02455

Hearing Site: Las Vegas, Nevada

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

REPRESENTATION OF PARTIES

For Claimants:

John D. Desbrow, Esq.
Law Office of John D. Desbrow
Newport Beach, California

For Respondents:

Thomas F. Kopshever, Esq.
Wells Fargo Bank
Office of General Counsel
San Francisco, California

CASE INFORMATION

Statement of Claim filed: May 6, 2005

Claimants Freeman N. Harris and Dorothy J. Harris' Joint Uniform Submission Agreement
signed: May 4, 2005

Joint Statement of Answer filed by Respondents Wells Fargo Investments, LLC and Donovan L.
Hilsabeck: June 6, 2005

Respondent Wells Fargo Investments, LLC's Uniform Submission Agreement signed:
June 6, 2005

Respondent Donovan L. Hilsabeck's Uniform Submission Agreement signed: June 9, 2005

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability and failure to adequately disclose
surrender charges and adverse tax consequences. Claimants' allegations concern the purchase of
three annuities.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted the following defenses: failure to allege facts sufficient to constitute a cause of action, waiver, estoppel, ratification, failure to mitigate, claims are barred by applicable statutes of limitation and laches, and assumption of risk.

RELIEF REQUESTED

Claimants requested \$13,089.83 in surrender charges (both paid and payable), \$10,000.00 in punitive damages, increased income tax liabilities according to proof, pre-judgment interest at a rate of \$3.58 per day from December 18, 2002, reimbursement of NASD filing fees, assessment of forum fees to Respondents, and costs, including attorney's fees.

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

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that a handwritten, signed Award may be entered.

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) Claimants' claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) Any and all relief not specifically addressed herein, including punitive damages is denied.
- 4) The arbitrator recommends the expungement of all reference to the above captioned arbitration from Respondent Donovan L. Hilsabeck's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Donovan L. Hilsabeck must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitrator has made the following affirmative findings of fact:

The claim, allegation, or information is false.

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 = \$ 125.00

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 = \$ 425.00

Total Member Fees = \$ 425.00

Adjournment Fees

The following adjournment fees are assessed:

October 18, 2005, adjournment requested by Claimants and Respondents = \$ 450.00

November 9, 2005, adjournment requested by Claimants and Respondents = \$ 900.00

- 1) The arbitrator assessed \$450.00 of the adjournment fee for the October 18, 2005 adjournment jointly and severally to Respondents.
- 2) The arbitrator waived the adjournment fee for the November 9, 2005 adjournment.

Three-Day Cancellation Fees

Three-day cancellation fees apply when a hearing on the merits is postponed or settled within three business days before the start of the first scheduled hearing session. The following three-day cancellation fees are assessed:

Cancellation of October 18, 2005 hearing date: = \$ 100.00

Cancellation of November 9, 2005 hearing date: = \$ 100.00

1. The arbitrator assessed \$100.00 of the three-day cancellation fee for the October 18, 2005 adjournment jointly and severally to Respondents Wells Fargo Investments, LLC and Donovan L. Hilsabeck.
2. The arbitrator assessed \$50.00 of the three-day cancellation fee for the November 9, 2005 adjournment jointly and severally to Claimants Freeman N. Harris and Dorothy J. Harris.
3. The arbitrator assessed \$50.00 of the three-day cancellation fee for the November 9, 2005 adjournment jointly and severally to Respondents Wells Fargo Investments, LLC and Donovan L. Hilsabeck.

Forum Fees and Assessments

The arbitrator has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. The following forum fees are assessed:

One (1) pre-hearing conference session with a single arbitrator @ \$450.00/session	= \$	450.00
Pre-hearing conference: July 29, 2005	1 session	

Two (2) Hearing sessions @ \$450.00/session	= \$	900.00
Hearing: December 12, 2005	2 sessions	

Total Forum Fees	= \$	1,350.00
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1. The arbitrator assessed \$675.00 of the forum fees jointly and severally to Claimants.
2. The arbitrator assessed \$675.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimants Freeman N. Harris and Dorothy J. Harris are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 125.00
Three-Day Cancellation Fee	= \$ 50.00
Forum Fees	= \$ 675.00
Total Fees	= \$ 850.00
Less payments	= \$(575.00)
Balance Due NASD Dispute Resolution	= \$ 275.00

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

Member Fees	= \$ 425.00
Less payments	= \$(425.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Wells Fargo Investments, LLC and Donovan L. Hilsabeck are charged jointly and severally with the following fees and costs:

Adjournment Fee	= \$ 450.00
Three-Day Cancellation Fees	= \$ 150.00
Forum Fees	= \$ 675.00
Total Fees	= \$ 1,275.00
Less payments by Wells Fargo Investments, LLC	= \$(1,275.00)
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.

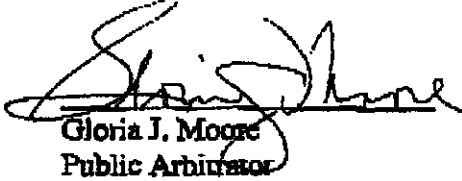
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ARBITRATOR

Gloria J. Moore

Public Arbitrator

Arbitrator's Signature


Gloria J. Moore
Public Arbitrator

12/13/2005
Signature Date

12/14/05
Date of Service