

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Wells Fargo Investments, LLC

and

Case Number: 05-03330
Hearing Site: Houston, Texas

Name of Respondent

Melinda Leigh Stavinoha

NATURE OF DISPUTE

Member Firm v. Associated Person

REPRESENTATION OF PARTIES

Wells Fargo Investments, LLC ("**Claimant**" or "**Wells Fargo**") was represented by Ronald Kane, Esq. and Thomas Volz, Esq., Kane & Fischer, Ltd., Chicago, Illinois.

Melinda Leigh Stavinoha ("**Respondent**" or "**Stavinoha**") was represented by Walter Jefferson, Esq., Cutrer & Jefferson, Houston, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about June 29, 2005. The Submission Agreement of Claimant, Wells Fargo Investments, LLC, was signed on or about July 1, 2005. On or about September 23, 2005, Claimant filed a Response to the Counterclaim. On or about November 11, 2005, Claimant filed a Response to the Motion to Consolidate. On or about March 7, 2006, Claimant filed a Motion for Leave to Amend the Statement of Claim. On or about April 20, 2006, Claimant filed the Amended Statement of Claim.

The Statement of Answer and Counterclaim was filed by Respondent, Melinda Leigh Stavinoha, on or about August 9, 2005. The Submission Agreement of Respondent, Melinda Leigh Stavinoha, was signed on or about August 19, 2005. On or about October 19, 2005, Respondent filed a Motion to Consolidate cases 05-03330 and 05-03331. On or about November 11, 2005, Respondent filed a Reply to her Motion to Consolidate. Respondent did not oppose the Motion for Leave to Amend the Statement of Claim.

CASE SUMMARY

Claimant asserted the following cause of action: breach of promissory note. Claimant alleged that Respondent defaulted on her promissory note. Respondent first executed a Promissory Note that was effective on March 1, 2003 (the "March Note"). On June 2, 2003, Respondent entered into a new Promissory Note (the "June Note") that superseded the March Note. On or about December 5, 2003, Respondent resigned and there remained a principal balance of \$16,889.24 due and owing to Wells Fargo. The June Note further provided that should Respondent default in the timely payment of any portion of the principal amount, Respondent is obligated to pay interest on any such outstanding amount, plus to pay any and all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements incurred by Wells Fargo.

Unless specifically admitted in her Answer, Respondent denied the allegations made in the Statement of Claim. In her Counterclaim, Respondent asserted the following causes of action: breach of contract and fraudulent inducement. Respondent requested that the June Note be extinguished, offset held for naught, and that she be awarded \$42,000.00 in damages.

Claimant denied the allegations made in the Counterclaim.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$16,889.24
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent requested that the claims asserted against her be denied in their entirety and that she be awarded \$42,000.00 in actual/compensatory damages, costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

On or about November 18, 2005, the Panel denied the Respondent's Motion to Consolidate.

On or about April 5, 2006, the Panel granted Claimant's Motion to Amend the Statement of Claim.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

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

- 1.) Respondent, Melinda Leigh Stavinoha, is liable for and shall pay to Claimant, Wells Fargo Investments, LLC, the sum of \$16,889.24 in compensatory damages due under the June Note;
- 2.) Respondent, Melinda Leigh Stavinoha, is liable for and shall pay to Claimant, Wells Fargo Investments, LLC, accrued interest during the term of the June Note, while employed at Wells Fargo, at the rate of 3.27% per annum in the sum of \$7.55 pursuant to the terms of the June Note;
- 3.) Respondent, Melinda Leigh Stavinoha, is liable for and shall pay to Claimant, Wells Fargo Investments, LLC, interest at the rate of 3.27% per annum from and including December 5, 2003 through and including May 11, 2006 for a total sum of \$1,340.88 pursuant to the terms of the June Note;
- 4.) Respondent, Melinda Leigh Stavinoha, is liable for and shall pay to Claimant, Wells Fargo Investments, LLC, the sum of \$7,025.00 in attorneys' fees pursuant to the terms of the June Note;
- 5.) The Counterclaim of Respondent is dismissed with prejudice;
- 6.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 7.) Any relief not specifically enumerated, including punitive damages, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 750.00
Counterclaim filing fee	= \$ 175.00

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. In this matter, the member firm is Wells Fargo Investments, LLC.

Member surcharge	= \$ 425.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,000.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. A hearing 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) Decision on discovery-related motions on the papers with one (1) arbitrator x \$200.00	= \$ 200.00
Claimant submitted one (1) discovery-related motions	
One (1) Pre-hearing session with Panel x \$450.00	= \$ 450.00
Pre-hearing conference: November 18, 2005	1 session
Four (4) Hearing sessions x \$450.00	= \$ 1,800.00
Hearing Dates: May 10, 2006	2 sessions
May 11, 2006	2 sessions
Total Forum Fees	= \$ 2,450.00

The Arbitration Panel has assessed \$1,225.00 of the forum fees to Wells Fargo Investments, LLC.

The Arbitration Panel has assessed \$1,225.00 of the forum fees to Melinda Leigh Stavinoha.

Fee Summary

Claimant, Wells Fargo Investments, LLC, is liable for:

Initial Filing Fee	= \$ 750.00
Member Fees	= \$ 2,175.00
Forum Fees	= \$ 1,225.00
Total Fees	= \$ 4,150.00
Less payments	= \$ 3,375.00
Balance Due NASD Dispute Resolution	= \$ 775.00

Respondent, Melinda Leigh Stavinoha, is liable for:

Counterclaim Filing Fee	= \$ 175.00
Forum Fees	= \$ 1,225.00
Total Fees	= \$ 1,400.00
Less payments	= \$ 450.00
Balance Due NASD Dispute Resolution	= \$ 950.00

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

ARBITRATION PANEL

James G. Cooper - Non-Public Arbitrator, Presiding Chair
Karen Settle Newton Non-Public Arbitrator
Eli Bensky - Non-Public Arbitrator

Concurring Arbitrators:

/s/ James G. Cooper
James G. Cooper
Non-Public Arbitrator, Presiding Chair

May 15, 2006
Signature Date

/s/ Karen Settle Newton
Karen Settle Newton
Non-Public Arbitrator

May 15, 2006
Signature Date

/s/ Eli Bensky
Eli Bensky
Non-Public Arbitrator

May 15, 2006
Signature Date

May 15, 2006
Date of Service (For NASD office use only)

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Karen Settle Newton Non-Public Arbitrator
Eli Bensky - Non-Public Arbitrator

Concurring Arbitrators:



James G. Cooper
Non-Public Arbitrator, Presiding Chair

5/15/2006

Signature Date

Karen Settle Newton
Non-Public Arbitrator

Signature Date

Eli Bensky
Non-Public Arbitrator

Signature Date


Date of Service (For NASD office use only)

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Non-Public Arbitrator, Presiding Chair



Karen Settle Newton
Non-Public Arbitrator

Signature Date



Signature Date

Eli Bensky
Non-Public Arbitrator

Signature Date

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Non-Public Arbitrator, Presiding Chair

Signature Date

Karen Settle Newton
Non-Public Arbitrator

Signature Date



Eli Bensky
Non-Public Arbitrator



Signature Date

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