

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of Claimants

Linda Latcham, Individually, and in Her
Capacity as the Executor of the Estates
of her parents, Wildo Vander Wilt
and Agnes A. Vander Wilt,

vs.

Case Number: 05-05712
Hearing Site: Des Moines, Iowa

Names of Respondents

U.S. Bancorp Investments, Inc.,
Jason Lee Kibbee, and Steve C. Hewitt.

NATURE OF THE DISPUTE

Customers vs. Member and Associated Persons

REPRESENTATION OF PARTIES

Linda Latcham, Individually, and in her capacity as the Executor of the Estates of her parents, Wildo Vander Wilt and Agnes A. Vander Wilt, hereinafter collectively referred to as "Claimants," were represented by Robert C. Thomson, Esq., Grefe & Sidney, P.L.C., Des Moines, Iowa.

U.S. Bancorp Investments, Inc. ("USBI") and Stephen C. Hewitt ("Hewitt") were represented by John Rock, Esq., Dorsey & Whitney LLP, Minneapolis, Minnesota.

Jason Lee Kibbee ("Kibbee") did not appear in this action.

CASE INFORMATION

The Statement of Claim was filed on or about November 8, 2005. The Claimants filed an undated, signed Submission Agreement on or about November 8, 2005.

The Statement of Answer was filed jointly by Respondents, USBI and Hewitt, on or about January 27, 2006. The Submission Agreement of Respondent USBI was signed on or about January 20, 2006. The Submission Agreement of Respondent Hewitt was signed on or about January 11, 2006.

The Motion for Leave to Amend was filed by Claimants on or about August 14, 2006. The Response to the Motion for Leave to Amend was filed by Respondents USBI and Hewitt on or about August 21, 2006. The Reply to the Response to the Motion for Leave to Amend was filed by Claimants on or about August 28, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; negligence; violations of the Iowa Securities Act; violations of the NASD Rules of supervision and suitability; misrepresentation; negligent misrepresentation; constructive fraud; negligent supervision; and respondeat superior. The causes of action related to the recommendation to surrender various long-term and secure investments to invest in annuities and other products that were unsuitable given the customers' financial situation, investment objectives, and experience.

Unless specifically admitted in their Answer, Respondents, USBI and Hewitt, denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimants failed to state a claim upon which relief can be granted; Respondents, USBI and Hewitt, did not know, and in the exercise of reasonable care could not have known, of the existence of the facts by reason of which the liability is alleged to exist; Respondents, USBI and Hewitt, acted in good faith and with reasonable care at all times; Claimants' claims are barred to the extent of any applicable statutes of limitations; under the principles of comparative fault, Claimants' damages, if any, should be reduced because of the actions of the Vander Wilts and/or due to the fault of others; Claimants failed to allege constructive fraud with sufficient particularity; Claimants' claims are barred by the doctrines of waiver, estoppel, laches and/or ratification; Claimants' claims are barred for the reasons that the alleged actions of Respondents, USBI and Hewitt, were not the proximate cause or the cause in fact of any alleged injury or damages; Kibbee should be assessed all of the liability for Claimants' damages, if any; Claimants have already reached a settlement with American Investors Life Insurance Company and the amount should be credited against the damages alleged by Claimants in this action; and American Investors Life Insurance Company and the other annuity companies for which Kibbee sold products outside the scope of his employment and which were not authorized by USBI should allocated their comparative portion of fault.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$156,337.41
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified

Other Costs
Other Monetary Relief

Unspecified
Unspecified

Respondents, USBI and Hewitt, requested that the claims asserted against them be denied in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Jason Lee Kibbee did not file with the 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.

On August 31, 2006, the Panel granted the Motion for Leave to Amend filed by Claimants. Pursuant to the Amendment, the claims of Linda Latcham, individually, were dismissed.

On or about September 6, 2006, the Claimants and Respondents fully and finally settled all claims by and between them. Therefore, the Claimants and Respondents submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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.

AWARD

Pursuant to the above, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) The claims asserted by Claimants, Linda Latcham, individually, and in her capacity as the Executor of the Estate of her parents, Wildo Vander Wilt and Agnes A. Vander Wilt, against Respondents, U.S. Bancorp Investments, Inc. and Stephen C. Hewitt, each and all, are hereby denied and dismissed with prejudice;
- 2.) The claims asserted by Claimants, Linda Latcham, individually, and in her capacity as the Executor of the Estate of her parents, Wildo Vander Wilt and Agnes A. Vander Wilt, against Respondent, Jason Lee Kibbee, each and all, are hereby denied and dismissed without prejudice;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 4.) The Panel recommends the expungement of all references to the above captioned arbitration from Respondent, Steve C. Hewitt's, registration

records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent, Steve C. Hewitt, 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 Panel has made the following affirmative findings of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; and

- 5.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, 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 fee for each claim:

Initial Claim filing fee	= \$ 300.00
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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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is U.S. Bancorp Investments, Inc.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

September 11-14, 2006, settled by Claimant = \$ 300.00
(\$100.00 each to Claimants, USBI and Hewitt)

Forum Fees and Assessments

The Panel has assessed forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Two (2) Pre-hearing session with Panel x \$1,125.00	= \$ 2,250.00
Pre-hearing conference: April 5, 2006 1 session	
January 22, 2007 1 session	
<hr/> Total Forum Fees	<hr/> = \$ 2,250.00

The Panel has assessed \$2,250.00 of the forum fees jointly and severally to U.S. Bancorp Investments, Inc. and Stephen C. Hewitt.

FEE SUMMARY

Claimants, Linda Latcham, Individually, and in her capacity as the Executor of the Estate of her parents, Wildo Vander Wilt and Agnes A. Vander Wilt, are liable for:

Initial Filing Fee	= \$ 300.00
Three-Day Cancellation Fee	= \$ 100.00
Retention of Hearing Session Deposit	= \$ 1,125.50
<hr/> Total Fees	<hr/> = \$ 1,525.00
Less payments	= \$ 1,425.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ 100.00

Respondent, U.S. Bancorp Investments, Inc., is liable for:

Member Fees	= \$ 5,200.00
Three-Day Cancellation Fee	= \$ 100.00
<hr/> Total Fees	<hr/> = \$ 5,300.00
Less payments	= \$ 5,200.00
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ 100.00

Respondent, Stephen C. Hewitt, is liable for:

Three-Day Cancellation Fee	= \$ 100.00
<hr/> Total Fees	<hr/> = \$ 100.00
Less payments	= \$ 0.00

Balance Due NASD Dispute Resolution = \$ 100.00

Respondents, U.S. Bancorp Investments, Inc. and Stephen C. Hewitt, are jointly and severally liable for:

Forum Fees	= \$	2,250.00
Total Fees	= \$	2,250.00
Less payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	2,250.00

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

ARBITRATION PANEL

Maximillion M. Wexler, Esq. - Public Arbitrator, Presiding Chair

Robert Bronstein - Public Arbitrator

Melissa Dawn Hubbard, J.D. - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Maximillion M. Wexler, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Robert Bronstein
Public Arbitrator

Signature Date

Melissa Dawn Hubbard, J.D.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Balance Due NASD Dispute Resolution = \$ 100.00

Respondents, U.S. Bancorp Investments, Inc. and Stephen C. Hewitt, are jointly and severally liable for:


Forum Fees	= \$ 2,250.00
Total Fees	= \$ 2,250.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

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Robert Bronstein - Public Arbitrator
Melissa Dawn Hubbard, J.D. - Non-Public Arbitrator

Concurring Arbitrators' Signatures:


Maximillion M. Wexler, Esq.
Public Arbitrator, Presiding Chair

1-23-07
Signature Date

Robert Bronstein
Public Arbitrator

Signature Date

Melissa Dawn Hubbard, J.D.
Non-Public Arbitrator

Signature Date

1/25/07 Mh
Date of Service (For NASD office use only)

Balance Due NASD Dispute Resolution = \$ 100.00

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Concurring Arbitrators' Signatures:

Maximillion M. Wexler, Esq.
Public Arbitrator, Presiding Chair

Robert Bronstein

Robert Bronstein
Public Arbitrator

Signature Date

1/22/07

Signature Date

Melissa Dawn Hubbard, J.D.
Non-Public Arbitrator

1/25/07 Mar

Date of Service (For NASD office use only)

Signature Date

Balance Due NASD Dispute Resolution = \$ 100.00

Respondents, U.S. Bancorp Investments, Inc. and Stephen C. Hewitt, are jointly and severally liable for:

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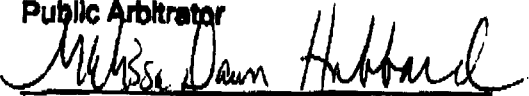
Concurring Arbitrators' Signatures:

Maximillion M. Wexler, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Robert Bronstein
Public Arbitrator

Signature Date


Melissa Dawn Hubbard, J.D.
Non-Public Arbitrator

1-22-07
Signature Date

1/25/07 
Date of Service (For NASD office use only)