

970807

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant(s)

David Vargas

Arbitration
No. 96-02715

Name of Respondent(s)

Wedbush Morgan Securities, Inc.
Marie Eaton

REPRESENTATION

For Claimant: Edward T. Monks, Esq., Morrow, Monks & Sharp, P.C.,
Eugene, Oregon

For Respondents: Charles F. Hudson, Esq., Lane Powell Spears
Lubersky LLP, Portland, Oregon

CASE INFORMATION

Statement of Claim filed: June 21, 1996

Claimant's Submission Agreement was signed on July 26. The year
was not indicated.

Joint Statement of Answer filed by Respondents: September 16, 1996

Respondents' Submission Agreements signed: August 19, 1996

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s):

February 20, 1997 (one session)

April 1, 1997 (one session)

Hearing Date(s)/Session(s): July 14, 1997 (three sessions)

Hearing Location: Portland, Oregon

CASE SUMMARY

Claimant alleged the following claims with respect to the above-captioned dispute: 1) Malpractice; 2) Fraud; 3) Intentional Infliction of Emotional Distress; and 4) Breach of Contract.

Respondents alleged that Claimant's claims arise from Claimant's dissatisfaction with a prior NASD arbitration, which resulted in separate awards of \$22,957.73 against Wedbush Morgan Securities, Inc. (Wedbush), and \$22,625.99 against Claimant, who was a licensed securities broker in the Eugene, Oregon office of Wedbush during the time involved. Respondents further alleged that Claimant was later able to settle the \$22,625.99 award against him for an agreement to pay \$7,000.00, but now seeks to recover that amount, and upwards of \$2.8 million in alleged damages. Respondents further alleged that ultimately, Claimant's losses are a fraction of another arbitration panel's judgment concerning his own conduct, after a hearing at which he had every opportunity to give his side of the story; neither he nor Ms. Eaton were lawyers; but he could have hired a lawyer if he wished; and while he and Wedbush may have wished for a different result in the Bradley arbitration, the claims he now presents are frivolous. Respondents denied each and every allegation of wrongdoing and liability set forth or implied in the Statement of Claim, and asked that it be dismissed in its entirety. Respondents also asserted affirmative defenses.

RELIEF REQUESTED

Claimant requested judgment against Respondents as follows:
On his first, second and fourth claims for relief:

1. Economic damages in the form of \$7,000.00 to satisfy the judgment;
2. General or noneconomic damages in the amount of \$750,000.00;
3. Economic damages in the amount of \$11,473.68 in legal expenses, and \$50,000.00 in loss of business reputation; and
4. Punitive damages in the amount of \$2,000,000.00.

On his third claim for relief:

1. General or noneconomic damages in the amount of \$750,000.00; and
2. Punitive damages in the amount of \$2,000,000.00.

Claimant also requested costs and disbursements.

Respondents requested:

1. Claimant recover nothing;
2. Costs and disbursements; and
3. Such other and further relief as the arbitration panel deems just.

OTHER ISSUES CONSIDERED AND DECIDED

The above-captioned dispute was originally filed in The Circuit Court of the State of Oregon for Lane County and referred to arbitration pursuant to the court's order.

The parties have agreed that the Award in this matter may be executed in either 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 originals remain on file with NASD Regulation, Inc. (NASDR).

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. All claims by Claimant, including the claims for punitive damages, are dismissed.
2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 10205(c) of the Code of Arbitration

Procedure, the following forum fees are assessed: The NASDR shall refund the \$1,000.00 hearing session deposit previously deposited by the Claimant. Forum fees are assessed against Wedbush Morgan Securities, Inc. in the amount of \$3,600.00, calculated as follows: Two pre-hearing sessions times \$300.00 plus three hearing sessions times \$1,000.00.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

Name Public / Industry

Thomas P. Joseph, Jr., Esq.

Public Arbitrator

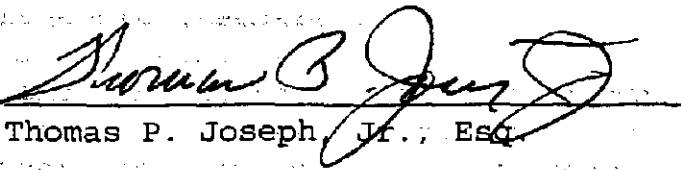
Dennis L. Ekberg

Public Arbitrator

Thomas C. Sand, Esq.

Industry Arbitrator

Concurring Arbitrators' Signatures


Thomas P. Joseph, Jr., Esq.

Dennis L. Ekberg

Thomas C. Sand, Esq.

Date of Decision: _____

Date Served: 08/08/97

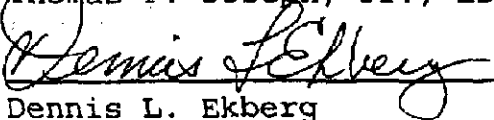
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<u>Name</u>	<u>Public / Industry</u>
Thomas P. Joseph, Jr., Esq.	Public Arbitrator
Dennis L. Ekberg	Public Arbitrator
Thomas C. Sand, Esq.	Industry Arbitrator

Concurring Arbitrators' Signatures

Thomas P. Joseph, Jr., Esq.


Dennis L. Ekberg

Thomas C. Sand, Esq.

Date of Decision:

July 30, 1997

Date Served: 08/08/97

9/10/80/78

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