

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Judythe A. Janiak, Claimant v. Wells Fargo Securities, Inc. and Wells Fargo Bank, Respondents

Case Number: 99-00553

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

Matthew R. Rutherford, Esq.
Law Offices of
Matthew R. Rutherford
San Diego, California

For Respondent Wells Fargo Securities, Inc.:

Robert T. Sullwold, Esq.
Sullwold & Hughes
San Francisco, California

CASE INFORMATION

Statement of Claim filed: March 31, 1999

Claimant's Uniform Submission Agreement signed: February 4, 1999

Statement of Answer filed by Respondent Wells Fargo Securities Inc.: May 18, 1999

Respondent Wells Fargo Securities, Inc.'s Uniform Submission Agreement signed: June 21, 1999

CASE SUMMARY

Claimant alleged: suitability, breach of fiduciary duty, constructive fraud, and failure to supervise in connection with the purchase and attempted sale of restricted shares of TravelMax stock.

Respondent Wells Fargo Securities Inc. denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$101,000.00, lost income and opportunity cost damages in the amount of \$800,000.00, damages for emotional distress in the amount of \$300,000.00, punitive damages of \$1,000,000.00, attorney's fees, and costs.

Respondent Wells Fargo Securities, Inc. requested dismissal of the Claimants' Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Wells Fargo Bank is not a member of the NASD and did not consent to NASD jurisdiction.

On January 24, 2000, the Arbitration 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.

AWARD

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

- 1) Wells Fargo Securities, Inc. is liable to and shall pay Claimant the sum of \$50,000.00 in compensatory damages for failure to adequately supervise the activities in Claimant's account and provide subsequent service and support.
- 2) Claimant's claim for punitive damages is denied in its entirety.
- 3) Each party shall bear its own costs, including attorney's fees.
- 4) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. has received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 250.00
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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 event of the dispute. Accordingly, the member firm Wells Fargo Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$2,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	= \$ 4,500.00
Total Member Fees	= \$ 7,600.00

Adjournment Fees

The following adjournment fees are assessed:

Respondent Wells Fargo Securities, Inc. for the March, 2000 hearing dates	= \$ 1,000.00
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Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

(2) Pre-hearing conference sessions with the Panel @ \$1,000.00/session	= \$ 2,000.00
Pre-hearing conference: October 11, 1999 1 session	
February 1, 2000 1 session	
(4) Hearing sessions @ \$1,000.00/session	= \$ 4,000.00
Hearings: June 7, 2000 2 sessions	
June 8, 2000 2 sessions	
Total Forum Fees	= \$ 6,000.00

The Arbitration Panel has assessed \$6,000.00 of the forum fees to Wells Fargo Securities, Inc.

Fee Summary

1. Claimant Judythe A. Janiak, is charged the following fees and costs:


Initial Filing Fee	= \$ 250.00
<u>Less payments</u>	<u>= \$(1,400.00)</u>
Refund Due Claimant	= \$(1,150.00)

2. Respondent Wells Fargo Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 7,600.00
Adjournment Fee	= \$ 1,000.00
<u>Forum Fees</u>	<u>= \$ 6,000.00</u>
Total Fees	= \$14,600.00
<u>Less payments</u>	<u>= \$ (7,600.00)</u>
Balance Due NASD Regulation, Inc.	= \$ 7,000.00

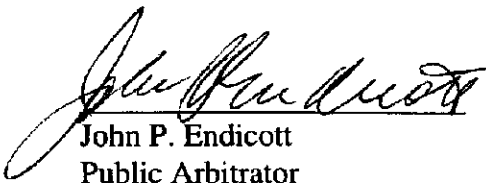
All balances are payable to NASD Regulation, Inc. and are due within 30 days of the Award's date of service.

Concurring Arbitrators' Signatures



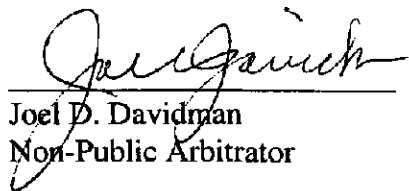
Homer L. White
Chair, Public Arbitrator

6/14/00
Signature Date



John P. Endicott
Public Arbitrator

6/14/00
Signature Date



Joel D. Davidman
Non-Public Arbitrator

6/14/00
Signature Date

6/14/00
Date of Service