Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Annette N. Saunders

Case Number: 05-03606

Name of the Respondent
A.G. Edwards & Sons, Inc.

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Annette N. Saunders, hereinafter referred to as "Claimant": Darren C. Blum, Esq., Blum & Silver, LLP, Coral Springs, Florida.

For A.G. Edwards & Sons, Inc., hereinafter referred to as "Respondent": Marc S. Dobin, Esq., Dobin & Jenks, LLP, Jupiter, Florida.

CASE INFORMATION

Statement of Claim filed on or about: July 7, 2005.

Claimant signed the Uniform Submission Agreement on: July 7, 2005.

Statement of Answer filed on or about: September 29, 2005.

Respondent signed the Uniform Submission Agreement on: August 26, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violation of industry rules including, but not limited to, the NYSE's "Know your customer" standard (Rule 405) and the NASD's customer suitability standard (Rule 2310); 2) breach of contract; 3) breach of fiduciary duty; 4) common law fraud; 5) negligence; and, 6) negligence in hiring, retention and supervision of Respondent's employees. These causes of action relate to Claimant's investments in various stocks including, but not limited to, EMC Corporation.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of $1,700,000.00; 2) interest at the legal rate from the date of purchase or reasonable market return; 3) rescission; 4) punitive damages; 5) costs of this proceeding; and, 6) such other relief as is just and proper.

Respondent requested that the Panel dismiss the Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent is liable on the claim of failure to supervise. Accordingly, Respondent shall pay to Claimant compensatory damages in the amount of $150,000.00.

Respondent is liable and shall pay to Claimant interest on the total compensatory damage award at the Florida statutory rate from June 29, 2006 until the date of payment of the Award.

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure ("the Code"), the following fees are assessed:

Filing Fees
NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= $ 500.00

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. Accordingly, Respondent is a party and a member firm.

Member surcharge	= $2,800.00
Pre-hearing process fee	= $ 750.00
Hearing process fee	= $5,000.00
Total Member Fees	= $8,550.00

Adjournment Fees
Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

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:

There were no three-day cancellation fees assessed during these proceedings.

Injunctive Relief Fees
Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

There were no injunctive relief fees assessed during these proceedings.

Forum Fees and Assessments
The Panel has assessed forum fees for each 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 last 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 @ $200.00 Claimant submitted (1) discovery-related motion			= $ 200.00
One (1) Pre-hearing session with a single arbitrator @ $450.00/session Pre-hearing conference:	June 23, 2006		= $ 450.00
One (1) Pre-hearing session with Panel @ $1,200.00/session Pre-hearing conference:	November 15, 2005	1 session	= $1,200.00
Eight (8) Hearing sessions @ $1,200.00/session Hearing Dates:	June 26, 2006	2 sessions	= $9,600.00
	June 27, 2006	2 sessions	
	June 28, 2006	2 sessions	
	June 29, 2006	2 sessions	
Total Forum Fees			=$11,450.00

The Panel has assessed the total forum fees of $11,450.00 to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= $ 500.00
Total Fees	= $ 500.00
Less payments	= $ 500.00
Balance Due NASD Dispute Resolution	= $ 0.00

Respondent is solely liable for:

Member Fees	= $ 8,550.00
Forum Fees	= $11,450.00
Total Fees	= $20,000.00
Less payments	= $ 8,550.00
Balance Due NASD Dispute Resolution	= $11,450.00

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

ARBITRATION PANEL

Syma S. Kasdin	-	*Public Arbitrator, Presiding Chairperson*
Paul E. Morgan	-	*Public Arbitrator*
Alvin Spier	-	*Non-Public Arbitrator*

Concurring Arbitrators' Signatures

/s/ 6/30/06

Syma S. Kasdin
Public Arbitrator, Presiding Chairperson
Signature Date

/s/ 6/30/06

Paul E. Morgan
Public Arbitrator
Signature Date

/s/ 6/30/06

Alvin Spier
Non-Public Arbitrator

Signature Date

June 30, 2006

Date of Service (For NASD Dispute Resolution office use only)

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Syma S. Kasdin
Syma S. Kasdin
Public Arbitrator, Presiding Chairperson

6/30/06
Signature Date

Paul E. Morgan
Public Arbitrator

Signature Date

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Concurring Arbitrators' Signatures

Syma S. Kasdin
Public Arbitrator, Presiding Chairperson

Signature Date

Paul E Morgan

Paul E. Morgan
Public Arbitrator

06/30/06
Signature Date

Alvin Spier
Non-Public Arbitrator

6/30/06
Signature Date

Date of Service (For NASD Dispute Resolution office use only)