

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Names of Claimants

Marc Bambino
Lottie Bambino
Revocable Inter Vivos Trust for Marc Bambino
Revocable Inter Vivos Trust for Lottie Bambino

Case No. 00-04364

Names of Respondents

A.G. Edwards & Sons, Inc.
Kerry Constantine Geaneas

Hearing Site: Tampa, Florida

REPRESENTATION OF PARTIES

For Marc Bambino, Lottie Bambino, Revocable Inter Vivos Trust for Marc Bambino and Revocable Inter Vivos Trust for Lottie Bambino, hereinafter collectively referred to as "Claimants": David L. McGee, Esq. and Peter J. Mougey, Esq., Beggs & Lane, Pensacola, Florida.

For A.G. Edwards & Sons, Inc. ("A.G. Edwards") and Kerry Constantine Geaneas ("Geaneas"), hereinafter collectively referred to as "Respondents": M. Jane Matoesian, Vice President and Counsel, A.G. Edwards, St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on or about: September 19, 2000.

Amended Statement of Claim filed on or about: September 25, 2001.

Motion for Leave to Amend Amended Statement of Claim filed by Claimants on or about: October 17, 2001.

Respondents' Response to Claimants' Motion for Leave to Amend Amended Statement of Claim filed on or about: October 19, 2001.

Second Amended Statement of Claim deemed filed on or about: October 29, 2001.

Claimants signed the Uniform Submission Agreement on: September 26, 2000 and November

12, 2001.

Statement of Answer and Motion for More Definite Statement filed by Respondents on or about: December 14, 2000.

Statement of Answer to Amended Statement of Claim filed by Respondents on or about: October 8, 2001.

Motion to Dismiss Pursuant to Applicable Statute of Limitations and Statement of Answer to Second Amended Statement of Claim filed by Respondents on or about: November 9, 2001.

Respondent A.G. Edwards signed the Uniform Submission Agreement on: December 13, 2000.

Respondent Geaneas signed the Uniform Submission Agreement on: November 9, 2000.

CASE SUMMARY

Claimants asserted the following causes of action: 1) breach of fiduciary duty; 2) violations of 15 U.S.C.A. 78j and 17 C.F.R. Section 240 10b-5; 3) violations of Section 517.301, Florida Statutes; 4) fraud; 5) negligent supervision; and 6) negligent misrepresentation. The causes of action relate to excessive trading in Claimants' portfolios in equities, mutual funds, annuities, options, bonds and other investment vehicles, namely Intercapital Quality Municipal Income Trusts, Nuveen Insured Florida Premium Income Municipal Fund, Inc., GNMA and Putnam High Yield Municipal Trust bonds, Franklin Tax Free Trust High Yield Tax Free Income Fund, AIG Annuities, and Protective Life Annuity.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Claimants are barred from recovery under Section 8-319 of the Uniform Commercial Code as a result of Claimants' failure to object or timely notify Respondent A.G. Edwards of the acts and omissions of which Claimants complain after receipt of written confirmations, account statements and other documents evidencing the transactions; 2) Claimants are barred from recovery under the doctrines of ratification, account stated, estoppel, waiver and laches; 3) Claimants failed to mitigate their damages after Claimants knew or should have known of the alleged acts and omissions of which Claimants complain; 3) Claimants failed to state a claim upon which relief may be granted; 4) Claimants have waived and/or are estopped from asserting their claims against Respondent A.G. Edwards by virtue of their own conduct and dealings with Respondent A.G. Edwards; 5) Claimants ratified the alleged conduct about which they complain; 6) Claimants' claims are barred by the applicable statute of limitations; 7) Claimants are barred from recovery by the doctrine of laches for any alleged conduct of Respondent A.G. Edwards; 8) to the extent Claimants allege a violation of the rules of the NASD, the NYSE or any other self-regulatory organization, Claimants failed to state a claim for relief as there is no private cause of action for the violation of such rules or regulations; 9) by failing to exercise that degree of care over their affairs and investments which an

ordinarily prudent investor would exercise, Claimants caused or contributed to be caused the alleged damages of which Claimants complain, and should be barred by their own contributory negligence or comparative fault from recovering such alleged damages; 10) Claimants' damages, if any, were caused by unforeseeable market forces and conditions affecting the value of securities in Claimants' accounts for which Respondent A.G. Edwards is not liable or responsible; 10) Claimants have made no allegations to support a finding of fraud or misrepresentation concerning the recommendation of securities for their accounts and the information relayed concerning those securities; Claimants failed to plead their fraud claims with particularity; 11) Claimants have alleged no activity or specific conduct which resulted in negligence, and any claims based upon the theory of negligence should be dismissed; and 12) Claimants have alleged no activity or specific conduct which resulted in a breach of fiduciary duty, and any claims based upon a breach of fiduciary duty should be dismissed.

RELIEF REQUESTED

Claimants requested: 1) compensatory damages in the amount of \$1,750,000.00; 2) punitive damages; 3) interest; 4) costs; 5) attorneys' fees; and 6) such other relief the undersigned arbitrators (the "Panel") deemed just and proper. At the evidentiary hearing, Claimant Marc Bambino, individually and as trustee of his Revocable Inter Vivos Trust, requested compensatory damages in the amount of \$856,462.00 and Claimant Lottie Bambino, individually and as trustee of her Revocable Inter Vivos Trust, requested compensatory damages in the amount of \$149,285.00.

Respondents requested: 1) dismissal of Claimants' claims; 2) entry of a finding by the Panel that Respondents have not violated Chapter 517, Florida Statutes; and 3) such other relief the Panel deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 30, 2001, the Panel granted Claimants Marc Bambino and Lottie Bambino until September 25, 2001 to file their Amended Statement of Claim.

On or about October 17, 2001, Claimants Marc Bambino and Lottie Bambino filed their Motion for Leave to Amend Amended Statement of Claim wherein Claimants requested that they be added in their capacities as trustees of their own accounts. On or about October 19, 2001, Respondents filed their response wherein Respondents affirmatively stated they had no objection to the motion. On October 29, 2001, the Panel issued its Order granting Claimants' Motion for Leave to Amend Amended Statement of Claim. The Panel accepted filing of Claimants' Second Amended Statement of Claim and granted Respondents ten days subsequent to the evidentiary hearing for Respondents to file their Statement of Answer to Second Amended Statement of Claim.

At the evidentiary hearing, the Panel granted Claimants' motion to amend their relief request

for compensatory damages. Claimant Marc Bambino, individually and as trustee of his Revocable Inter Vivos Trust, requested compensatory damages in the amount of \$856,462.00. Claimant Lottie Bambino, individually and as trustee of her Revocable Inter Vivos Trust, requested compensatory damages in the amount of \$149,285.00.

Based upon the evidentiary hearing, the Panel denied Respondents' motion to dismiss.

The parties at the evidentiary hearing 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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent A.G. Edwards is liable and shall pay to Claimants compensatory damages in the total amount of \$25,000.00, pre-judgment interest denied. Post-judgment interest shall accrue in accordance with Rule 10330(h) of the Code.
2. Respondent Geaneas is liable and shall pay to Claimants compensatory damages in the total amount of \$10,000.00, pre-judgment interest denied. Post-judgment interest shall accrue in accordance with Rule 10330(h) of the Code.
3. The Panel determined that Claimants are entitled to reasonable attorneys' fees in accordance with Chapter 517, Florida Statutes. The amount of attorneys' fees to be awarded Claimants shall be determined by a court of competent jurisdiction.
4. The parties shall bear their respective costs, including witness fees and any other related expenses.
5. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

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

Filing Fees

NASD Dispute Resolution, Inc. 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 firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

Adjournment Fees

Adjournments requested during these proceedings:

The Panel granted Respondents' motion to adjourn the evidentiary hearing scheduled for January 10, 2002 and the Panel waived the adjournment fee of \$1,200.00.

Forum Fees and Assessments

The Panel has the authority to assess forum fees for each hearing session conducted. 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:

Four (4) Pre-hearing sessions with a single arbitrator x \$450.00 = \$ 1,800.00

Pre-hearing conferences:	September 27, 2001	1 session
	October 15, 2001	1 session
	October 25, 2001	1 session
	December 10, 2001	1 session

One (1) Pre-hearing session with Panel x \$1,200.00 = \$ 1,200.00

Pre-hearing conference:	March 29, 2001	1 session
-------------------------	----------------	-----------

Fourteen (14) Hearing sessions x \$1,200.00 = \$16,800.00

Hearing Dates:	October 30, 2001	2 sessions
	October 31, 2001	2 sessions
	November 1, 2001	2 sessions
	December 18, 2001	2 sessions
	December 19, 2001	2 sessions
	January 3, 2002	2 sessions
	January 4, 2002	1 session
	February 13, 2002	1 session

Total Forum Fees	= \$19,800.00
------------------	---------------

The Panel has assessed forum fees in the amount of \$9,900.00 jointly and severally to Claimants.

The Panel has assessed forum fees in the amount of \$9,900.00 jointly and severally to

Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

FEE SUMMARY

Claimants be and hereby are jointly and solely liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 9,900.00

Total Fees	= \$10,400.00
Less payments	= \$ 1,800.00

Balance Due NASD Dispute Resolution, Inc.	= \$8,600.00
---	--------------

Respondent A.G. Edwards be and hereby is solely liable for:

Member Fees	= \$7,600.00
-------------	--------------

Total Fees	= \$7,600.00
Less payments	= \$7,600.00

Balance Due NASD Dispute Resolution, Inc.	= \$0.00
---	----------

Respondents be and hereby are jointly and severally liable for:

Forum Fees	= \$9,900.00
------------	--------------

Total Fees	= \$9,900.00
Less payments	= \$ 0.00

Balance Due NASD Dispute Resolution, Inc.	= \$9,900.00
---	--------------

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Richard J. Fuller, CPA	-	Public Arbitrator, Presiding Chair
Dennis A. Geduldig	-	Public Arbitrator

Howard Hill

Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

Richard J. Fuller, CPA
Public Arbitrator, Presiding Chair

Signature Date

/s/

Dennis A. Geduldig
Public Arbitrator

Signature Date

/s/

Howard Hill
Non-Public Arbitrator


Signature Date

March 21, 2002
Date of Service

Howard Hill

Non-Public Arbitrator

Concurring Arbitrators' Signatures


Richard J. Fuller, CPA
Public Arbitrator, Presiding Chair

3/18/02
Signature Date

Dennis A. Geduldig
Public Arbitrator

Signature Date

Howard Hill
Non-Public Arbitrator

Signature Date

Date of Service

Howard Hill

Non-Public Arbitrator

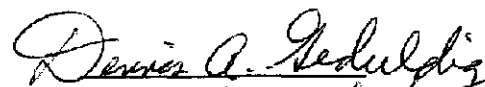
Concurring Arbitrators' Signatures

Richard J. Fuller, CPA
Public Arbitrator, Presiding Chair

Dennis A. Geduldig
Public Arbitrator

Howard Hill
Non-Public Arbitrator

Signature Date


Signature Date 3/19/08

Signature Date

Date of Service

Howard Hill

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Richard J. Fuller, CPA
Public Arbitrator, Presiding Chair

Signature Date

Dennis A. Geduldig
Public Arbitrator

Signature Date

Howard Hill
Howard Hill
Non-Public Arbitrator

March 18, 2002
Signature Date

Date of Service