

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant(s)

Peggy Cervantes

and

00-05666
Dallas, Texas

Name of Respondent(s)

RBC Dain Rauscher Inc.,
Randall B. Edwards, Sr.,
Candise Edwards Cowley and
David L. Zimmerman

REPRESENTATION OF PARTIES

Peggy Cervantes ("Claimant") was represented by Jeff Poster, Esq. of the Zisman Law Firm, Dallas, Texas.

RBC Dain Rauscher Inc. ("Dain Rauscher"), Randall B. Edwards, Sr. ("Edwards"), Candise Edwards Cowley ("Cowley") and David L. Zimmerman ("Zimmerman") were represented by Cheryl Jerome Moore of Baker & McKenzie, Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about December 21, 2000. The Submission Agreement of Claimant Peggy Cervantes was signed on December 5, 2000.

Joint Statement of Answer was filed by Respondent RBC Dain Rauscher Inc., Randall B. Edwards, Sr., Candise Edwards Cowley and David L. Zimmerman on or about March 2, 2001.

The Submission Agreement of Respondent RBC Dain Rauscher Inc. was signed on or about February 28, 2001 by James M. Borgerding A.V.P.

The Submission Agreement of Respondent Randall B. Edwards, Sr. was signed on or about March 1, 2001.

The Submission Agreement of Respondent Candise Edwards Cowley was signed on or about March 1, 2001.

The Submission Agreement of Respondent David L. Zimmerman was signed on or about February 28, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: negligence, gross negligence, breach of industry standards, breach of contract, breach of fiduciary duty and respondeat superior and negligent failure to supervise Respondents Edwards and Cowley. The causes of action relate to the mutual funds that Respondents Cowley and Edwards invested for Claimant were highly aggressive growth funds and largely invested in the new economic technology companies, having excessive price/earning ratios, little or no diversification as to industry, and subject to the risks that new companies and a new industry faces, according to Claimant.

Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant failed to state a claim upon which relief may be granted, Claimant is precluded from any recovery because she failed to take reasonable and prudent action to mitigate damages, if any. All recommendations were made in good faith, all risks and concerning the purchase and sale of securities in Claimant's accounts were fully known to her and she knowingly, willingly, and voluntarily assumed the risk of investing in the stock market. Respondents argued they did not breach any fiduciary duty, breach any contract or warranty and acted in a commercially reasonable manner.

RELIEF REQUESTED

Claimant requested an award in the amount of \$218,693.54 in compensatory damages. In addition, Claimant had also requested that the award include punitive damages, attorney's fees, interest, arbitration costs and any other fees in conjunction with this case to be determined at a later date.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & 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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, if any, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The arbitration panel has found that all claims brought by Peggy Cervantes against RBC Dain Rauscher, Inc., Randall B. Edwards, Sr., Candise Edwards Cowley and David L. Zimmerman are hereby dismissed in their entirety.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief, including punitive damages, by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

FEES

Pursuant to 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 = \$ 300

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 RBC Dain Rauscher Inc.

Member surcharge = \$1,500
Pre-hearing process fee = \$ 600
Hearing process fee = \$2,500

Forum Fees and Assessments

The Arbitration Panel assesses 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:

One (1) Pre-hearing session with a single arbitrator x \$450 = \$ 450.00

Pre-hearing conference: Date
 8/20/2001 1 session

Three (3) Pre-hearing sessions with Panel x \$1,125 = \$ 3,375.00

Pre-hearing conferences: Date
 5/24/2001 1 session
 9/25/2001 1 session
 6/21/2002 1 session

Four (4) Hearing sessions x \$1,125 = \$ 4,500.00

Hearing Dates: Date
 6/26/2002 2 sessions
 6/27/2002 2 sessions

Total Forum Fees = \$ 8,325.00

The Arbitration Panel has assessed \$4,162.50 of the forum fees to Peggy Cervantes.
The Arbitration Panel has assessed \$4,162.50 of the forum fees jointly and severally to RBC Dain Rauscher Inc., Randall B. Edwards, Sr., Candise Edwards Cowley, and David L. Zimmerman.

Adjournment Fees

Adjournments granted during these proceedings:

Hearing Dates of 1/15-1/16/2002,
Adjournment requested by RBC Dain Rauscher, Inc. = \$ 1,125.00

Fee Summary

Claimant, Peggy Cervantes, is liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 4,162.50</u>
Total Fees	= \$ 4,462.50
<u>Less payments</u>	<u>= \$ 2,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 2,037.50

Respondent, RBC Dain Rauscher Inc., is liable for:

Member Fees	= \$ 4,600.00
Adjournment Fee	= \$ 1,125.00
Total Fees	= \$ 5,725.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 525.00

Respondents, RBC Dain Rauscher Inc. Randall B. Edwards, Sr. Candise Edwards Cowley David L. Zimmerman , are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$ 4,162.50</u>
Total Fees	= \$ 4,162.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,162.50

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Jonathan A. Pace, Esq. - Public Arbitrator, Presiding Chair
Helmut O. Wolff - Public Arbitrator
Dolores Martin - Industry Arbitrator

Concurring Arbitrators:

Jonathan A. Pace, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Helmut O. Wolff
Public Arbitrator

Signature Date

Dolores Martin
Industry Arbitrator

Signature Date

NASD Dispute Resolution
Arbitration No. 00-03888
Award Page 5 of 5

Respondent, RBC Dain Rauscher Inc., is liable for:

Member Fees	= \$ 4,600.00
Adjournment Fee	= \$ 1,125.00
Total Fees	= \$ 5,725.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 525.00

Respondents, RBC Dain Rauscher Inc. Randall B. Edwards, Sr. Candise Edwards Cowley David L. Zimmerman, are jointly and severally liable for:


Forum Fees	= \$ 4,162.50
Total Fees	= \$ 4,162.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,162.50

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Jonathan A. Pace, Esq. - Public Arbitrator, Presiding Chair
Helmut O. Wolff - Public Arbitrator
Dolores Martin - Industry Arbitrator

Concurring Arbitrators:


Jonathan A. Pace, Esq.
Public Arbitrator, Presiding Chair

7/17/02
Signature Date

Helmut O. Wolff
Public Arbitrator

Signature Date

Dolores Martin
Industry Arbitrator

Signature Date

NASD Dispute Resolution
Arbitration No. 00-05860
Award Page 6 of 5

Respondent, RBC Dain Rauscher Inc., is liable for:

Member Fees	= \$ 4,600.00
Adjournment Fee	= \$ 1,125.00
Total Fees	= \$ 5,725.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 525.00

Respondents, RBC Dain Rauscher Inc. Randall B. Edwards, Sr. Candice Edwards Cowley David L. Zimmerman, are jointly and severally liable for:

Forum Fees	= \$ 4,162.50
Total Fees	= \$ 4,162.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,162.50

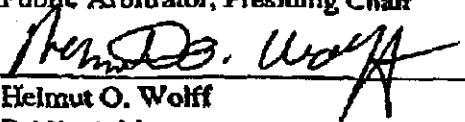
All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Jonathan A. Pace, Esq. - Public Arbitrator, Presiding Chair
Helmut O. Wolff - Public Arbitrator
Dolores Martin - Industry Arbitrator

Concurring Arbitrators:

Jonathan A. Pace, Esq.
Public Arbitrator, Presiding Chair


Helmut O. Wolff
Public Arbitrator

Signature Date


Signature Date

Dolores Martin
Industry Arbitrator

Signature Date

NASD Dispute Resolution
Arbitration No. 00-05888
Award Page 5 of 5

Respondent, RBC Dain Rauscher Inc., is liable for:

Member Fees	= \$ 4,600.00
Adjournment Fee	= \$ 1,125.00
Total Fees	= \$ 5,725.00
<u>Less payments</u>	<u>= \$ 5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 525.00

Respondents, RBC Dain Rauscher Inc. Randall B. Edwards, Sr. Candise Edwards Cowley David L. Zimmerman, are jointly and severally liable for:

Forum Fees	= \$ 4,162.50
Total Fees	= \$ 4,162.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,162.50

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Jonathan A. Pace, Esq. - Public Arbitrator, Presiding Chair
Helmut O. Wolff - Public Arbitrator
Dolores Martin - Industry Arbitrator

Concurring Arbitrators:

Jonathan A. Pace, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Helmut O. Wolff
Public Arbitrator

Signature Date

Dolores Martin
Dolores Martin
Industry Arbitrator

7-17-02
Signature Date