

PACIFIC EXCHANGE, INC.
115 Sansome Street
San Francisco, California 94104

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OCT 19 2001

PCX - SEP 2001

In the Matter of the Arbitration Between:

RICHARD HYNES,

Claimant,

v.

A.G. EDWARDS & SONS, DAVID TRUMBLE
AND MICHAEL GORTON

Respondents.

PCX CASE NO.: 00-S011

DECISION

The undersigned Arbitrators, having read and considered the Claim submitted by Richard Hynes ("Claimant") on or about June 2, 2000, and the Statement of Answer of A.G. Edwards & Sons, David Trumble, and Michael Gorton ("Respondents") and having considered all testimony and evidence submitted at the arbitration hearing held on October 2, 3, and 4, 2001, hereby render the following Decision pursuant to Rule 12 of the Rules of the Pacific Exchange:

REPRESENTATION OF PARTIES

Of Claimant: Timothy Canning, Esq.
Irwin Stein
Richard Sacks

Of Respondents: William S. Port, Esq.
A.G. Edwards & Sons

SUMMARY OF CONTENTIONS

Claimant asserts four principal contentions against David Trumble, his broker of record at A.G. Edwards & Sons: (1) Trumble improperly invested Claimant's funds in high risk and speculative stocks which were unsuitable for Claimant and were contrary to Claimant's investment objectives; (2) Trumble improperly conducted excessive transactions in Claimant's accounts; (3) Trumble improperly made unauthorized trades in Claimant's accounts; and (4) Trumble unreasonably allowed Claimant to incur significant margin debt.

Claimant also asserts that Respondent Michael Gorton, who was Respondent Trumble's Branch Manager and immediate supervisor at Respondent A.G. Edwards & Sons, and Respondent A.G. Edwards & Sons failed to supervise Respondent Trumble.

Claimant asserts that he lost money directly due to the Respondents' improper conduct, and he seeks compensatory damages against the Respondents resulting from the foregoing.

Respondents deny all allegations of wrongdoing and request dismissal of all claims.

ISSUES PRESENTED

The parties presented the following issues to the arbitrator for resolution: (1) whether Respondents invested Claimant's funds in a manner that was unsuitable for Claimant's objectives; (2) whether Respondents executed trades that were not authorized; (3) whether Respondents conducted excessive trades in Claimant's accounts; (4) whether Respondents unreasonably allowed Claimant to incur significant margin debt; (5) whether Respondents (Gorton and A.G. Edwards) failed to supervise Respondent Trumble with regard to Claimant's accounts; and (6) the nature and extent of damages, if any.

RELIEF REQUESTED

Claimant seeks monetary damages to compensate for the alleged improper acts of Respondents as outlined above.

FINDINGS AND DECISION

After five hearing sessions of taking evidence, both oral and documentary, having evaluated all evidence and the credibility and the weight thereof and of the witnesses testifying, and having considered the arguments of counsel, and giving weight and probative value to the evidence and testimony, the Panel in full, complete and final resolution of the issues presented to it, makes its decision as follows:

The panel unanimously finds in favor of Respondents and against Claimant on all issues.

Each party shall bear its own costs of the arbitration.

Forum fees of \$2,500 shall be assessed 100% to Respondents.

Date: October 16, 2001 James R. Gault
James R. Gault, Esq. - Chair

Date: _____
Joseph Berzok - Public Arbitrator

Date: _____
Robert Fisher - Industry Arbitrator

Claimant asserts that he lost money directly due to the Respondents' improper conduct, and he seeks compensatory damages against the Respondents resulting from the foregoing.

Respondents deny all allegations of wrongdoing and request dismissal of all claims.

ISSUES PRESENTED

The parties presented the following issues to the arbitrators for resolution: (1) whether Respondents invested Claimant's funds in a manner that was unsuitable for Claimant's objectives; (2) whether Respondents executed trades that were not authorized; (3) whether Respondents conducted excessive trades in Claimant's accounts; (4) whether Respondents unreasonably allowed Claimant to incur significant margin debt; (5) whether Respondents Gorton and A.G. Edwards failed to supervise Respondent Trumble with regard to Claimant's accounts; and (6) the nature and extent of damages, if any.

RELIEF REQUESTED

Claimant seeks monetary damages to compensate for the alleged improper acts of Respondents as outlined above.

FINDINGS AND DECISION

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The panel unanimously finds in favor of Respondents and against Claimant on all issues.

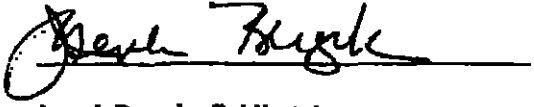
Each party shall bear its own costs of the arbitration.

Forum fees of \$3,500 shall be assessed 100% to Respondents.

Date: _____

James L. Gault, Esq. - Chair

Date: October 18, 2001


Joseph Berzok - Public Arbitrator

Date: _____

Robert Fisher - Industry Arbitrator

Claimant asserts that he lost money directly due to the Respondents' improper conduct, and he seeks compensatory damages against the Respondents resulting from the foregoing.

Respondents deny all allegations of wrongdoing and request dismissal of all claims.

ISSUES PRESENTED

The parties presented the following issues to the arbitrators for resolution: (1) whether Respondents invested Claimant's funds in a manner that was unsuitable for Claimant's objectives; (2) whether Respondents executed trades that were not authorized; (3) whether Respondents conducted excessive trades in Claimant's accounts; (4) whether Respondents unreasonably allowed Claimant to incur significant margin debt; (5) whether Respondents Gorton and A.G. Edwards failed to supervise Respondent Trumble with regard to Claimant's accounts; and (6) the nature and extent of damages, if any.

RELIEF REQUESTED

Claimant seeks monetary damages to compensate for the alleged improper acts of Respondents as outlined above.

FINDINGS AND DECISION

After five hearing sessions of taking evidence, both oral and documentary, having evaluated all evidence and the credibility and the weight thereof and of the witnesses testifying, and having considered the arguments of counsel, and giving weight and probative value to the evidence and testimony, the Panel in full, complete and final resolution of the issues presented to it, makes its decision as follows:

The panel unanimously finds in favor of Respondents and against Claimant on all issues.
Each party shall bear its own costs of the arbitration.
Forum fees of \$3,500 shall be assessed 100% to Respondents.

Date: _____

James L. Gault, Esq. - Chair

Date: _____

Joseph Berzok - Public Arbitrator

Date: 10/12/01 _____

Robert Fisher - Industry Arbitrator