

**Award
NASD**

In the Matter of the Arbitration Between:

Name of the Claimant
Blanche Y. Davis

Case Number: 01-00007

Names of the Respondents
A.G. Edwards & Sons, Inc.
Michael Sullivan

Hearing Site: Little Rock, AR

REPRESENTATION OF PARTIES

For Blanche Y. Davis, hereinafter referred to as "Claimant": Brad L. Karren, Esq., Reeves & Karren, P.A., Bentonville, AR.

For Respondent A.G. Edwards & Sons, Inc. ("AGE"): William S. Port, Vice President and Litigation Counsel, AGE, St. Louis, MO.

Respondent Michael Sullivan ("Sullivan") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: January 2, 2001.

Claimant signed the Uniform Submission Agreement: February 2, 2001.

Statement of Answer filed by Respondent AGE on or about: May 7, 2001.

Respondent AGE signed the Uniform Submission Agreement: May 7, 2001.

Statement of Answer filed by Respondent Sullivan on or about: July 2, 2001.

Respondent Sullivan signed the Uniform Submission Agreement: June 24, 2001.

CASE SUMMARY

Claimant asserted that Respondents pursued a continuous and systematic course of conduct of buying and selling unspecified securities products in Claimant's account in a manner inconsistent with the best interest of Claimant and in a manner exercising gross disregard for the best interest of the Claimant in violation of Respondents' fiduciary duty to Claimant, ACA 23-42-106, and Rule 2310 of the NASD Code of Conduct.

Unless specifically admitted in its Answer, Respondent AGE denied the allegations made in the Statement of Claim and asserted various affirmative defenses including: failure to object; ratification; and, account stated.

Unless specifically admitted in his Answer, Respondent Sullivan denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages of \$58,000.00, costs, attorneys' fees, and all other good and proper relief to which Claimant is entitled.

Respondent AGE requested dismissal of the Statement of Claim, costs, attorneys' fees, and such other and further relief as the undersigned arbitrators (the "Panel") deemed just and proper.

Respondent Sullivan requested dismissal of the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

On or about June 18, 2002, Claimant advised the Panel that she had dismissed, with prejudice, her claims against Respondent AGE on May 15, 2002.

The parties have agreed that the Award in this matter may be executed in counterpart copies.

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:

Respondent Sullivan is liable pursuant to ACA 23-43-109 and Rule 2310 for margin interest charged to Claimant for 1998-1999 and shall pay to Claimant compensatory damages in the sum of \$6,892.01.

Respondent Sullivan is liable and shall pay to Claimant attorneys' fees in the sum of \$1,000.00 pursuant to ACA 23-43-109 and the Arkansas Securities Act.

Respondent Sullivan is liable and shall pay to Claimant the sum of \$225.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD.

Any and all claims for relief not specifically addressed herein are denied.

FEES

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

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$225.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$1,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournment were filed in this matter.

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.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$750.00	= \$750.00
Pre-hearing conference: January 11, 2002 1 session	
Three (3) Hearing sessions @ \$750.00	= \$2,250.00
Hearing Dates: June 18, 2002 1 session	
October 16, 2002 2 sessions	
Total Forum Fees	= \$3,000.00

The Panel has assessed the total forum fees of \$3,000.00 to Respondent Sullivan.

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.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee = \$225.00

Total Fees = \$225.00

Less payments = \$225.00

Balance Due NASD = \$0.00

Respondent AGE is solely liable for:

Member Fees = \$3,100.00

Total Fees = \$3,100.00

Less payments = \$3,100.00

Balance Due NASD = \$0.00

Respondent Sullivan is solely liable for:

Forum Fees = \$3,000.00

Total Fees = \$3,000.00

Less payments = \$0.00

Balance Due NASD = \$3,000.00

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

ARBITRATION PANEL

B. Jeffrey Pence, Esq.	-	Public Arbitrator, Presiding Chair
Richard A. Stephens	-	Public Arbitrator
Gary S. Jefferson, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

B. Jeffrey Pence, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/

Richard A. Stephens
Public Arbitrator

Signature Date

/s/

Gary S. Jefferson, Esq.
Non-Public Arbitrator

Signature Date

November 26, 2002

Date of Service (For NASD office use only)

NASD Dispute Resolution
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Public Arbitrator, Presiding Chair


Richard A. Stephens

Public Arbitrator

Gary S. Jefferson, Esq.

Non-Public Arbitrator

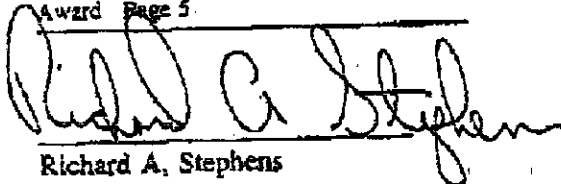
Concurring Arbitrators' Signatures


B. Jeffrey Pence, Esq.
Public Arbitrator, Presiding Chair

Signature Date

NASD Dispute Resolution
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Richard A. Stephens
Public Arbitrator

11/25/02
Signature Date

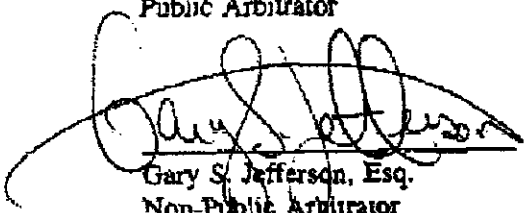
Gary S. Jefferson, Esq.
Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution
Arbitration No. 01-00007
Award Page 5

Richard A. Stephens
Public Arbitrator


Gary S. Jefferson, Esq.
Non-Public Arbitrator

Signature Date

11/26/02
Signature Date

Date of Service (For NASD office use only)