

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant

Campbell Janitorial & Investments, Inc.

Case Number: 01-00608

Name of the Respondents

A.G. Edwards & Son, Inc.  
Jerome Raders

Hearing Site: Houston, Texas

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**REPRESENTATION OF PARTIES**

Claimant, Campbell Janitorial & Investments, Inc., hereinafter referred to as "Claimant": Gonzalo Joseph Barrientos, Esq., of the Law Offices of Josheph Barrientos, located in Corpus Christi, Texas.

Respondents, A.G. Edwards & Sons Inc. ("A.G.E.") and Jerome V. Raders ("Raders"), hereinafter collectively referred to as " Respondents": Clay L. Grumke, Esq., of A.G. Edwards & Sons, Inc., St. Louis, Missouri.

**CASE INFORMATION**

Statement of Claim filed on or about: February 8, 2001.

Mr. Leroy Campbell President, Campbell Janitorial & Investment Inc., signed the Uniform Submission Agreement: October 17, 2000.

Joint Statement of Answer filed by Respondents A.G. E. and Raders on or about: March 30, 2001.

Clay L. Grumke, Vice President and Counsel for Respondent A.G.E. signed the Uniform Submission Agreement on or about: March 27, 2001.

Respondent Raders signed the Uniform Submission Agreement on: March 1, 2001.

**CASE SUMMARY**

Claimant asserted the following causes of action:

1. breach of contract; negligence;
2. failure to supervise; breach of fiduciary duty;
3. churning;
4. omission of facts, misrepresentations; non-disclosure and, suitability.

The causes of action relate to the purchases and unauthorized trades of option contracts on Claimant's account.

Unless specifically admitted in the Statement of Answer, Respondents A.G. Edwards and Raders denied the allegations made in the Statement of Claim and asserted the following defenses:

1. Claimant is barred under the doctrines of ratification, account stated, estoppel, waiver and laches;
2. Claimants Statement of Claim is barred by the applicable statutes of limitations;
3. Claimant failed to mitigate damages.

### **RELIEF REQUESTED**

Claimant requested:

Compensatory Damages	\$ 880,289.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief, if any:	

Respondents AGE and Raders request that the Statement of Claim be dismissed in its entirety and that the Claimant be ordered to pay Respondents' costs and any other relief deemed just and proper.

### **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:

1. Respondents A.G. E.& Sons, Inc. and Jerome Raders are jointly and severally liable and shall pay to Claimant, Campbell Janitorial & Investments Inc. the sum of \$1.00 as Compensatory Damages.
2. Respondent A.G. Edwards & Sons, Inc. and Jerome Raders are jointly and severally liable and shall pay to the Claimant, Campbell Janitorial & Investments Inc., the sum of Ten Thousand Dollars and No Cents (\$10,000.00) as Punitive Damages. Upon review of the parties' arguments and submissions, the Panel determined that authority exists for an award of punitive damages due to Respondents' violation of the rules of unauthorized trading.
3. Except as otherwise specified herein, each party shall bear its own costs and attorney's fees.
4. Any and all relief not specifically addressed herein is denied.

### **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 = \$375.00

### **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. Accordingly, A.G. Edwards & Sons, Inc., is a party to this matter.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$3,500.00

### **Adjournment Fees**

Adjournments requested during these proceedings:  
February 12-14, 2002, adjournment by Claimant = \$1,200.00

### **Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A 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 Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: July 23, 2001	1 session
Four (4) Hearing sessions @ \$1,200.00	= \$4,800.00
Hearing Dates: August 6, 2002	2 sessions
August 7, 2002	2 sessions
Total Forum Fees	= \$6,000.00

The Arbitration Panel has assessed the entire \$6,000.00 of the forum fees to Claimant, Campbell Janitorial & Investments, Inc.

### **Fee Summary**

1. Claimant, Campbell Janitorial & Investments, Inc. is solely liable for:

Forum Fees	= \$ 6,000.00
Adjournment Fee	= \$ 1,200.00
Initial Filing Fee	= \$ 375.00
Total Fees	= \$ 7,575.00
Less payments	= \$ 1,575.00
Balance Due to NASD Dispute Resolution	= \$ 6,000.00
2. Respondent A.G. Edwards & Sons, Inc. is solely liable for:

Member Fees	= \$ 6,100.00
Total Fees	= \$ 6,100.00

<u>Less payments</u>	= \$ 6,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 00

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

**ARBITRATION PANEL**

Anthony Bill Kashouty	-	Public, Presiding Chair
Antoinette M. Romano	-	Public Arbitrator
Jeffrey M. Aboloff	-	Non-Public Arbitrator

**Concurring Arbitrators' Signature(s)**

\_\_\_\_\_  
Anthony Bill Kashouty.  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Antoinette M. Romano  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Jeffrey M. Aboloff  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

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

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Less payments = \$ 6,100.00  
Balance Due NASD Dispute Resolution, Inc. = \$ 00

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**ARBITRATION PANEL**

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Antoinette M. Romano	-	Public Arbitrator
Jeffrey M. Aboloff	-	Non-Public Arbitrator

**Concurring Arbitrators' Signature(s)**

  
Anthony Bill Kashouty  
Public Arbitrator, Presiding Chairperson

17 Sep 2002  
Signature Date

\_\_\_\_\_  
Antoinette M. Romano  
Public Arbitrator

\_\_\_\_\_  
Signature Date

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Anthony Bill Kashouty,  
Public Arbitrator, Presiding Chairperson

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Signature Date

  
Antoinette M. Romano  
Public Arbitrator

9/15/02  
\_\_\_\_\_  
Signature Date

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Jeffrey M. Aboloff  
Non-Public Arbitrator

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Balance Due NASD Dispute Resolution, Inc.	= \$	00
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