

**Award
NASD**

In the Matter of the Arbitration Between:

Name of the Claimant
John C. Stovall

Case Number: 01-01016

Names of the Respondents
A.G. Edwards & Sons, Inc.
Bryce Weldon Smith

Hearing Site: New Orleans, LA

REPRESENTATION OF PARTIES

For John C. Stovall ("Stovall"), hereinafter referred to as "Claimant": Ben F. Melanson, Esq., Dampf, Thibaut & Melanson, L.L.P., Baton Rouge, LA.

For A.G. Edwards & Sons, Inc. ("AGE") and Bryce Weldon Smith ("Smith"), hereinafter collectively referred to as "Respondents": Clay L. Grumke, Vice President and Counsel, AGE, St. Louis, MO.

CASE INFORMATION

Statement of Claim filed on or about: February 28, 2001.

Amended Statement of Claim filed on or about: November 1, 2001.

Claimant signed the Uniform Submission Agreement: February 21, 2001.

Statement of Answer filed by Respondents on or about: April 27, 2001.

Supplemental Statement of Answer to Amended Statement of Claim filed by Respondents on or about: April 27, 2001.

Respondent AGE signed the Uniform Submission Agreement: April 26, 2001.

Respondent Smith signed the Uniform Submission Agreement: March 30, 2001.

Claimant's Motion for Leave to File an Amended Statement of Claim ("Motion to Amend") filed on or about: September 26, 2001.

Respondents' Motion for a More Definite Statement Filed in Response to Claimant's Motion to File Amended Statement of Claim ("Motion for Definite Statement") filed on or about: October 10, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability; churning; inadequate supervision; and, failure to follow internal guidelines. The causes of action relate to the purchase and sale of Interdigital Communications Corp. and Kafus Industries, Ltd. stock in Claimant's account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses including: failure to state a claim upon which relief can be granted; ratification; and, estoppel.

RELIEF REQUESTED

Claimant requested compensatory damages of \$200,862.02 plus interest and reinstatement of stock.

Respondents requested dismissal of the Statement of Claim and reimbursement of all costs and fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about October 24, 2001, the Panel issued an order which granted Claimant's Motion to Amend and Respondents' Motion for Definite Statement.

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 undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Claimant's Statement of Claim is dismissed, with prejudice.

The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Smith's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Smith must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Any and all relief not specifically addressed herein is 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 = \$300.00

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	= \$1,500.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$2,500.00

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 @ \$1,125.00	= \$1,125.00
Pre-hearing conference: September 12, 2001 1 session	
Two (2) Hearing sessions @ \$1,125.00	= \$2,250.00
Hearing Date: May 21, 2002 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$3,375.00

The Panel has assessed the total forum fees of \$3,375.00 to Claimant.

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	= \$300.00

Forum Fees = \$3,375.00

Total Fees = \$3,675.00

Less payments = \$1,425.00

Balance Due NASD = \$2,250.00

Respondent AGE is solely liable for:

Member Fees = \$4,600.00

Total Fees = \$4,600.00

Less payments = \$4,600.00

Balance Due NASD = \$0.00

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

ARBITRATION PANEL

Daniel Eugene Bivins, III	-	Public Arbitrator, Presiding Chair
Donald M. Helton	-	Public Arbitrator
Lee F. Murphy, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

Daniel Eugene Bivins, III
Public Arbitrator, Presiding Chair

Signature Date

/s/

Donald M. Helton
Public Arbitrator

Signature Date

/s/

Lee F. Murphy, Esq.
Non-Public Arbitrator

Signature Date

July 2, 2002

Date of Service (For NASD office use only)

07/05/2002 08:25 5613614386

NASD DISPUTE RESOLUT

NASD Dispute Resolution

Arbitration No. 01-01016

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Daniel Eugene Bivins, III -

Public Arbitrator, Presiding Chair

Donald M. Helton -

Public Arbitrator

Lee F. Murphy, Esq. -

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Daniel Eugene Bivins III
Daniel Eugene Bivins, III
Public Arbitrator, Presiding Chair

July 5, 2002
Signature Date

Donald M. Helton
Public Arbitrator

Signature Date

Lee F. Murphy, Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

06/25/2002 11:06 5613614306

NASD DISPUTE RESOLUT

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NASD Dispute Resolution

Arbitration No. 01-01016

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Public Arbitrator, Presiding Chair

Donald M. Helton

Public Arbitrator

Lee F. Murphy, Esq.

Non-Public Arbitrator

Concurring Arbitrators' Signatures

 Daniel Eugene Bivins, III
 Public Arbitrator, Presiding Chair

Signature Date



 Donald M. Helton
 Public Arbitrator

6/25/02

 Signature Date

 Lee F. Murphy, Esq.
 Non-Public Arbitrator

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NASD Dispute Resolution
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Award Page 4

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Donald M. Helton	-	Public Arbitrator
Lee F. Murphy, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Daniel Eugene Bivins, III
Public Arbitrator, Presiding Chair

Signature Date

Donald M. Helton
Public Arbitrator

Signature Date

Lee F. Murphy

Lee F. Murphy, Esq.
Non-Public Arbitrator

6/25/02

Signature Date