

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Dennis C. Gaddy
Dennis C. Gaddy, SEP IRA

Case No. 01-01817

Names of Respondents

A.G. Edwards & Sons, Inc.
Parks Brown

Hearing Site: Atlanta, Georgia

REPRESENTATION OF PARTIES

For Dennis C. Gaddy ("Gaddy") and Dennis C. Gaddy, SEP IRA ("Gaddy IRA"), hereinafter collectively referred to as "Claimants": Daniel I. MacIntyre, Esq. and Samuel T. Brannan, Esq., Shapiro Fussell Wedge Smotherman Martin & Price LLP, Atlanta, Georgia.

For A.G. Edwards & Sons, Inc. ("Edwards") and Parks Brown ("Brown"), hereinafter collectively referred to as "Respondents": Steve Sneeringer, General Counsel and Michael Naccarato, Litigation Counsel, Edwards, St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on or about: April 9, 2001.

Revised Statement of Claim filed on or about: May 24, 2001.

Claimants Gaddy and Gaddy IRA signed the Uniform Submission Agreement: May 14, 2001.

Statement of Answer filed by Respondents on or about: June 12, 2001.

Respondent Edwards signed the Uniform Submission Agreement: May 23, 2001.

Respondent Brown signed the Uniform Submission Agreement: May 18, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: unauthorized transactions; Georgia and federal securities act violations; unsuitability and excessive concentration; churning; breach of fiduciary duty; controlling person liability; respondeat superior liability; and, violations of NASD Conduct Rules. The causes of action relate to

Claimants' investments in a variety of stocks.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant Gaddy requested the following damages:

Well managed account damages	\$411,558.00
Disgorgement of commissions	\$118,913.00
Disgorgement of margin interest	\$11,564.00
Prejudgment interest @ 7%	\$37,942.00
Punitive Damages	\$411,558.00
Attorneys' Fees	Unspecified

Claimant Gaddy IRA requested unspecified damages, pre-judgment interest, punitive damages and attorneys' fees.

Respondents requested an order from the Panel dismissing all claims with prejudice, for all costs and expenses incurred herein and for such other relief as the Panel deemed appropriate. Further, Respondents requested an expungement of all references to this arbitration from Respondent Brown's Central Registration Depository ("CRD") record.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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:

IRA Account

Respondent Edwards is liable on the claim of failure to supervise, Respondents Edwards and Brown are liable on the claim of unsuitability, jointly and severally, and Respondents Edwards and Brown are liable, jointly and severally, and shall pay to Claimant Gaddy IRA compensatory damages of \$59,505.28, plus pre-judgment interest at the rate of 6% per annum from March 31, 2001 until March 31, 2002, in the sum of \$3,570.37.

Individual Account

Respondent Edwards is liable on the claim of failure to supervise, Respondents Edwards and Brown are liable on the claim of churning, jointly and severally, and Respondents are liable, jointly and severally, and shall pay compensatory damages to Claimant Gaddy as follows:

Compensatory Damages:	
Churning	\$141,172.37
Disgorgement of commissions	\$22,473.86
Margin Interest	\$3,117.19

Respondents Edwards and Brown are liable, jointly and severally, and shall pay to Claimant Gaddy pre-judgment interest on the amounts referenced above at the rate of 6% per annum from March 31, 2001 until March 31, 2002, in the sum of \$10,005.80.

Respondents Edwards and Brown are liable, jointly and severally, and shall pay to Claimant Gaddy IRA the sum of \$29,752.64 in attorneys' fees pursuant to O.C.G.A. Section 10-5-14(a).

Respondents Edwards and Brown are liable, jointly and severally, and shall pay to Claimant Gaddy the sum of \$83,381.71 in attorneys' fees pursuant to O.C.G.A. Section 10-5-14(a).

Respondents are liable, jointly and severally, and shall pay to Claimants the sum of \$375.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD Dispute Resolution, Inc.

Any and all requests for relief not specifically addressed herein, including Claimants' request for punitive damages and Respondents' request for an expungement of Respondent Brown's CRD record, are denied.

FEES

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

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$375.00
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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	= \$2,000.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

There were no adjournments requested during these proceedings.

Forum Fees and Assessments

The panel has the authority to assess forum fees for each hearing session conducted. A hearing 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 Pre-hearing session with the Panel x \$1,200.00	= \$1,200.00
Pre-hearing conference: October 16, 2001	1 session
Nine Hearing sessions x \$1,200.00	= \$10,800.00
Hearing Dates: February 26, 2002	2 sessions
February 27, 2002	2 sessions
February 28, 2002	2 sessions
March 1, 2002	3 sessions
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Total Forum Fees	= \$12,000.00

The panel has assessed the total forum fees of \$12,000.00 to Respondents, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$375.00
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Total Fees	= \$375.00
Less payments	= \$375.00
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Balance Due NASD Dispute Resolution, Inc.	= \$0.00

Respondent Edwards be and hereby is solely liable for:

Member Fees	= \$6,100.00
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Total Fees	= \$6,100.00
Less payments	= \$6,100.00
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Balance Due NASD Dispute Resolution, Inc.	= \$0.00

Respondents be and hereby are jointly and severally liable for:

Forum Fees	= \$12,000.00
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Total Fees	= \$12,000.00
Less payments	= \$0.00
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Balance Due NASD Dispute Resolution, Inc.	= \$12,000.00

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon the parties' receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Joe E. Manuel, Esq.	-	Public Arbitrator, Presiding Chair
Roger A. Kirschenbaum, Esq.	-	Public Arbitrator
Peggy Lewis Kennedy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/_____
Joe E. Manuel, Esq.
Public Arbitrator, Presiding Chair

Signature Date

_____/S/_____
Roger A. Kirschenbaum, Esq.
Public Arbitrator

Signature Date

/S/
Peggy Lewis Kennedy
Non-Public Arbitrator

Signature Date

April 11, 2002
Date of Service (For NASD-Dispute Resolution office use only)

Total Fees	= \$375.00
Less payments	= \$375.00
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Balance Due NASD Dispute Resolution, Inc.	= \$0.00

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Member Fees	= \$6,100.00
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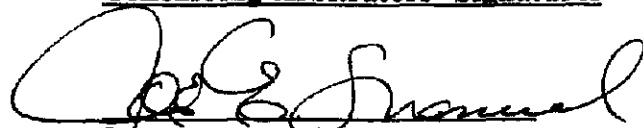
Total Fees	= \$12,000.00
Less payments	= \$0.00
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Roger A. Kirschenbaum, Esq.	-	Public Arbitrator
Peggy Lewis Kennedy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Joe E. Manuel, Esq.
Public Arbitrator, Presiding Chair

4-05-02

Signature Date

Roger A. Kirschenbaum, Esq.
Public Arbitrator

Signature Date

Total Fees	= \$375.00
Less payments	= \$375.00
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Balance Due NASD Dispute Resolution, Inc.	= \$0.00

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ARBITRATION PANEL

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Roger A. Kirschenbaum, Esq.	-	Public Arbitrator
Peggy Lewis Kennedy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Joe E. Manuel, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Roger A. Kirschenbaum, Esq.
Public Arbitrator

4/8/02

Signature Date



Peggy Lewis Kennedy
Non-Public Arbitrator

April 5, 2002
Signature Date

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