

**STIPULATED AWARD
NASD DISPUTE RESOLUTION**

In the Matter of the Arbitration Between:

Glenn McNeill, ("Claimant") vs. A.G. Edwards & Sons, Inc., and Cormac Niall Maghan
(Respondents)

Case Number 01-02245

Hearing Site: New York, New York

REPRESENTATION OF THE PARTIES

For Claimant Glenn McNeill ("Claimant"), George L. Mahr, III, George L. Mahr, P.C.,
Madison, New Jersey

For Respondents A.G. Edwards & Sons, Inc., ("Edwards") and Cormac Niall Maughan
("Maughan"): M. Jane Matoesian, Esq., A.G. Edwards & Sons, Inc., St. Louis, Missouri.

CASE INFORMATION

Statement of Claim of Glenn McNeill filed on or about April 27, 2001.
Uniform Submission Agreement signed by Glenn McNeill filed on or about April 13,
2001.

Answer of A.G. Edwards & Sons, Inc. and Cormac Niall Maughan filed July 3, 2001.
Uniform Submission Agreement of A.G. Edwards & Sons, Inc. filed July 3, 2001.
Uniform Submission Agreement of Cormac Niall Maughan filed July 2, 2001.

HEARING INFORMATION

A telephonic pre-hearing conference which lasted one (1) session was conducted with the Arbitration Panel on November 21, 2001.

CASE SUMMARY

In his Statement of Claim, Glenn McNeill alleged that Respondent Cormac Niall Maughan improperly handled his Single Account and Individual Retirement Account (IRA) at Edwards by unsuitable trading, misrepresentations and omissions, churning, failure to supervise and breach of fiduciary duty. McNeill alleged that upon opening his accounts, he told Maughan he had no investment experience, and that he was retired and needed the assets he was investing to provide for his retirement income. McNeill told Maughan that he did not want to risk the principal, because the money and assets he was investing represented substantially all of his assets that he and his wife would rely on to provide for their retirement. Contrary to these stated investment objectives and financial needs, Maughan purchased and sold substantially lesser quality and unnecessarily speculative and volatile securities, and excessively traded in extremely volatile internet and technology stocks.

McNeill further alleged that he first opened an account with Respondents in 1997, and in June 1997 transferred his mutual funds to Respondents which represented funds saved over a period of many years. In June 1998, McNeill retired and placed the funds from his pension cash out and 401K rollover with Respondents. He invested a total of approximately \$470,000.00 with Respondents in his two accounts. During the period June 1998 through 1999, the accounts substantially increased in value. However, McNeill was concerned that Maughan purchased exclusively technology and internet stocks with which he was not familiar. He continued to rely on Maughan's insistence that these types of stocks would provide safe, long-term appreciation. Maughan often acknowledged McNeill's concerns and confirmed that his investment approach was consistent with McNeill's goals. In May or June 2000, McNeill noticed that his account principal had substantially decreased, to which Maughan responded that the research analyst used by Edwards recommended that these stocks would increase substantially in value in September because of the upcoming elections. McNeill accepted this advice and did not sell his holdings. McNeill further alleged that Maughan failed to receive authorization from him for numerous transactions made in the accounts. Maughan misrepresented to McNeill that the securities were safe and appropriate, and never explained the risks associated with his trading approach, including margin trading. By October 2000, McNeill's accounts were continuing to incur losses, and in December 2000, terminated his accounts with Respondents.

In their Answer, Edwards and Maughan denied all allegations of wrongdoing asserted by McNeill. Edwards and Maughan stated that McNeill was an educated, knowledgeable investor and an active participant in the management of both his accounts, and during the four-plus years the accounts were open, McNeill and Maughan spoke frequently about the

accounts and various investment opportunities. McNeill presented himself to be an interested, involved investor who chose to buy and sell individual stocks, mutual funds, certificates of deposit, unit trusts and an annuity. The accounts were both quite profitable until the market downturn in 2000. McNeill also made no complaints whatsoever while the accounts were profitable, and even wrote a letter to Edwards' headquarters in January 1999 praising Maughan and the services provided. Respondents further submitted that McNeill wanted aggressive growth for his accounts and that the securities recommended comported with his express wishes and objectives. Respondents stated that Maughan did follow McNeill's instructions regarding the investments in the account and did not place trades without McNeill's permission. At all times the accounts were recommended in investments approved by McNeill. McNeill also received correspondence from Edwards' branch manager in August 2000 confirming his aggressive investment posture, the gains, losses and commissions paid, and McNeill executed this correspondence acknowledging this information was true and correct.

Edwards and McNeill also asserted the following affirmative defenses:

1. As a result of the McNeill's failure to object or notify Edwards of the acts and omissions of which he complained after receipt of written confirmations, account statements and other documents evidencing or setting forth transactions in his accounts, his is barred from recovering from Edwards under his account agreements with Edwards and under the Uniform Commercial Code as enacted in the State of New Jersey.
2. As a result of McNeill's failure to notify Edwards of the alleged acts and omissions of which he complained promptly after receipt of written confirmations, monthly statements and other documents evidencing or setting forth transactions in his accounts and, in any event, promptly after he discovered or reasonably should have discovered the alleged acts or omissions, he was barred from recovering from Edwards under the doctrines of ratification, account stated, estoppel, waiver and laches because Edwards relied upon the aforesaid silence of McNeill.
3. McNeill failed to act promptly and with due diligence to mitigate his damages.
4. The Statement of Claim and each count thereof failed to state a claim upon which relief can be granted.
5. McNeill waived and/or is estopped from asserting claims against Edwards by virtue of his conduct and dealings with Edwards and Maughan.
6. McNeill ratified the alleged conduct about which he complained.
7. McNeill's claims are barred by the applicable statutes of limitation.

8. McNeill is barred from any recovery for any of the alleged conduct of Edwards and Maughan by the doctrine of laches.

9. Edwards and Maughan owed no fiduciary duty to McNeill under New Jersey law.

10. To the extent the Statement of Claim alleges a violation of the rules of National Association of Securities Dealers, Inc., the New York Stock Exchange, Inc. or any other self-regulatory organization, the Claim fails to state a claim for relief as there is no private cause of action for the violation of such rules or regulations.

RELIEF REQUESTED

Mr. McNeill requested compensatory damages of \$350,000.00 plus interest; all costs, expenses and disbursements, including attorney fees and expert witness fees; and punitive damages.

Edwards and Maughan requested that the claims be dismissed in their entirety; that Edwards be awarded its attorney fees, costs, and expenses pursuant to Edwards' agreements with McNeill; that Maughan's permanent registration records maintained by the CRD be expunged with respect to reference of this arbitration; and for such other relief as the Arbitration Panel deemed proper.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original remains on file with NASD Dispute Resolution.

On or about October 28, 2002, the parties informed NASD Dispute Resolution that they had entered into a settlement agreement.

On or about November 8, 2002, the parties filed with NASD Dispute Resolution a joint motion to approve this Stipulated Award and that the undersigned arbitrators (the "Panel") enter an Order expunging all references to this case from the Central Registration Depository ("CRD") records of Maughan.

AWARD

After considering the pleadings and the motion to approve this Stipulated Award, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondents Edwards and Maughan are hereby dismissed in their entirety.
2. The panel recommends the expungement of all references to the above-captioned arbitration from Respondent Maughan'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 Maughan must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. All parties shall bear their respective costs, including attorneys' fees.

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	= \$ 300.00
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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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, A.G. Edwards & Sons, Inc. is a party.

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

Adjournment Fees

Adjournments requested during these proceedings:

June 24, 25, 26, and 27, 2002, adjournment by Respondents = WAIVED

October 29, 30, 31 and November 1, 2002, adjournment by Claimant = WAIVED

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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 sessions with Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: November 21, 2001	1 session

Total forum fees = \$1,125.00

1. The Panel has assessed forum fees of \$562.50 of the forum fees against Claimant.
2. The Panel has assessed forum fees of \$562.50 of the forum fees against Respondent Edwards.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ <u>562.50</u>
Total Fees	= \$ 862.50
<u>Less payments</u>	= <u>\$1,425.00</u>
Refund Due Claimant	= \$ 562.50

Respondent Edwards is solely liable for:

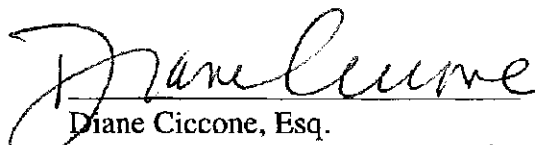
Member Fees	= \$4,600.00
Forum Fees	= \$ 562.50
Total Fees	= \$5,162.50
<u>Less payments</u>	= <u>\$4,600.00</u>
Balance Due NASD Dispute Resolution	= \$ 562.50

All balances are due and payable to NASD Dispute Resolution.

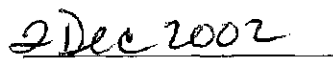
ARBITRATION PANEL

Diane Ciccone, Esq.	-	Public Arbitrator, Presiding Chair
Robin R. Henry	-	Public Arbitrator
Peter M. Pfau	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Diane Ciccone, Esq.
Public Arbitrator, Presiding Chair



Signature Date

Robin R. Henry
Public Arbitrator

Signature Date

Peter M. Pfau
Non-Public Arbitrator

Signature Date

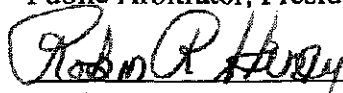
December 10, 2002
Date of Service (For NASD-DR office use only)

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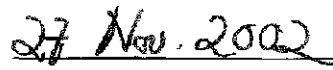
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Public Arbitrator

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Non-Public Arbitrator

Signature Date

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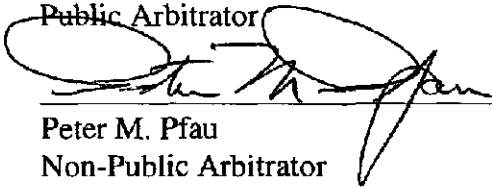
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Diane Ciccone, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Robin R. Henry
Public Arbitrator

Signature Date



Peter M. Pfau
Non-Public Arbitrator

12/2/2002

Signature Date

December 10, 2002

Date of Service (For NASD-DR office use only)