

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Elizabeth Ann Cabanas

and

Case Number: 02-05156
Hearing Site: Houston, Texas

Names of Respondents

A.G. Edwards & Sons, Inc. and
Marshall D. Stein

NATURE OF CASE

Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

Elizabeth Ann Cabanas ("Claimant") was represented by Ronald H. Thrash, Esq., Shepherd, Smith & Bebel, P.C., Houston, Texas.

A.G. Edwards & Sons, Inc. ("A.G. Edwards") and Marshall D. Stein ("Stein"), hereinafter collectively referred to as "Respondents," were represented by Michael Naccarato, Esq., A.G. Edwards & Son, Inc., St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about September 9, 2002. The Submission Agreement of Claimant was signed on or about July 22, 2002.

Respondents, A.G. Edwards and Stein, jointly filed a Statement of Answer on or about October 30, 2002. The Submission Agreement of Respondent, A.G. Edwards, was signed on or about October 14, 2002. The Submission Agreement of Respondent, Stein, was signed on or about July 23, 2002.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; omission of facts; misrepresentations; suitability; gross lack of supervision; breach of contract and warranties; unauthorized trading; violations of Texas Consumer Protection and Texas Deceptive Trade Practices Act; violations of Federal Securities Exchange Act; violations of state securities statutes and the Texas Business and Commerce Code. The causes of

action related to Claimant's allegations that Respondents wrongfully recommended and effectuated the purchase of several unspecified highly volatile stocks and aggressive mutual funds that were wholly unsuitable for Claimant's investment objective.

Unless specifically admitted in their Answer, Respondents, A.G. Edwards and Stein, denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant's primary investment objective was growth and all recommendations made in Claimant's account were suitable; no investment recommendation made by Claimant was ever misrepresented; Claimant's account was properly supervised and the losses sustained by Claimant were the result of an overall market downturn; Claimant failed to mitigate her damages; Claimant is barred by her own contributory negligence and/or comparative fault; Claimant voluntarily assumed the risks; Claimant's claims are barred by all applicable statutes of limitations; Claimant failed to state a claim for which relief may be granted under the Texas Deceptive Trade Practices Act, Consumer Protection Act; the Texas Securities Act, the Texas Business and Commerce Code, and the Federal Securities Exchange Act of 1934.

RELIEF REQUESTED

Claimant requested an award of approximately \$500,000.00, plus punitive and exemplary damages, interest, costs, attorneys' fees and any other relief the panel deemed appropriate.

Respondents requested that the claims asserted against them be dismissed in their entirety with prejudice, and that they be awarded reimbursement of all legal fees, costs and expenses. Respondents also requested the expungement of all references to this arbitration from Respondent Stein's permanent registration records maintained by the NASD Central Registration Depository (CRD).

OTHER ISSUES CONSIDERED & DECIDED

This case settled and Claimant, Elizabeth Ann Cabanas, and Respondents, A.G. Edwards & Sons, Inc. and Marshall D. Stein have executed a Settlement Agreement and Release.

This Stipulated Award was prepared, in part, based on a proposed award document submitted by Respondents, A.G. Edwards & Son, Inc. and Marshall D. Stein. The parties have agreed that the Stipulated Award may be signed by one arbitrator.

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 originals remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrator orders as follows:

- 1.) Claimant's claims against Respondents, A.G. Edwards & Sons, Inc. and Marshall D. Stein, are hereby dismissed in their entirety with prejudice pursuant to the parties' Settlement Agreement;
- 2.) The Panel recommends that expungement of all references to the above-captioned arbitration from Respondent, Marshall D. Stein'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, Marshall D. Stein, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) Other than Forum Fees, which are specified below, the parties shall each bear their own costs and expenses incurred in this matter, and
- 4.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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

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, the member firm is A.G. Edwards & Sons, Inc.

Member surcharge = \$1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$2,750.00

Forum Fees and Assessments

The Arbitration 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 session with the Panel	x \$1,125.00	= \$1,125.00
Pre-hearing Conference: February 27, 2003	1 session	
Total Forum Fees		= \$1,125.00

The Arbitration Panel has assessed \$562.50 of the forum fees to Claimant, Elizabeth Ann Cabanas.

The Arbitration Panel has assessed \$562.50 of the forum fees jointly and severally to Respondents, A.G. Edwards & Son, Inc. and Marshall D. Stein.

Fee Summary

Claimant, Elizabeth Ann Cabanas is liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 862.50
Less payments	= \$ 862.50
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, A.G. Edwards & Sons, Inc., is liable for:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00

Balance Due NASD Dispute Resolution = \$ 0.00

Respondents, A.G. Edwards & Sons, Inc. and Marshall D. Stein are jointly and severally liable for:

Forum Fees	= \$ 562.50
Total Fees	= \$ 562.50
Less payments	= \$ 562.50

Balance Due NASD Dispute Resolution = \$ 0.00

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

ARBITRATOR

Philip I. McConnell, Esq. - Public Arbitrator

Arbitrator's signature:

/s/ Philip I. McConnell, Esq.
Philip I. McConnell, Esq.
Public Arbitrator

September 30, 2004
Signature Date

September 30, 2004
Date of Service (For NASD office use only)

ARBITRATOR

Philip I. McConnell, Esq. - Public Arbitrator

Arbitrator's signature:



Philip I. McConnell, Esq.
Public Arbitrator

9-30-04

Signature Date

Date of Service (For NASD office use only)