

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Alfred C. Strohlein and Catherine A. Strohlein, Trustees for the Strohlein Family Trust u/a dated 9/7/91, Claimants v. A.G. Edwards & Sons, Inc., Louis L. Rothery, Sr., and Louis L. "Luke" Rothery, Jr., Respondents

Case Number: 02-05842

Hearing Site: San Diego, California

Nature of the Dispute: Customers v. Member and Associated Persons

REPRESENTATION OF PARTIES

For Claimants:

Arthur S. Leider
Investors Arbitration Specialists
San Diego, California

For Respondents:

Matthew R. Salamon, Esq.
A.G. Edwards & Sons, Inc.
St. Louis, Missouri

CASE INFORMATION

Statement of Claim filed: October 1, 2002

Claimants' Joint Uniform Submission Agreement signed: December 14, 2002

Joint Statement of Answer filed by Respondents A.G. Edwards & Sons, Inc., Louis L. Rothery, Sr., and Louis L. "Luke" Rothery, Jr.: March 11, 2003

Respondent Louis L. Rothery, Sr.'s Uniform Submission Agreement signed: March 10, 2003

Respondent Louis L. "Luke" Rothery, Jr.'s Uniform Submission Agreement signed:
March 10, 2003

Respondent A.G. Edwards & Sons, Inc.'s Uniform Submission Agreement signed:
January 30, 2003

CASE SUMMARY

Claimants alleged negligence, failure to supervise, misrepresentations, omission of facts, and suitability. Claimants' allegations involved the purchase and/or sale of numerous securities, including Dreyfus, Washington Mutual Investors Fund, Bank of New York, Bear Stearns, and Sun America securities.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested compensatory damages in the sum of \$480,000.00 and arbitration costs. As an alternative to monetary compensatory damages, Claimants requested that, "A.G. Edwards reestablish the portfolio to the position it held on March 23, 2000, the day before the first lot of Washington Mutual was sold." Claimants, at the hearing, requested compensatory damages in the sum of \$256,962.00 and arbitration costs.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, expungement of this matter from Respondents' records, and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On April 10, 2003, Claimants signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On January 30, 2003, Respondents' counsel signed a Waiver Agreement on Respondents' behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On February 11, 2004, NASD Dispute Resolution received notice that Claimant dismissed Respondent Louis L. "Luke" Rothery, Jr. with prejudice.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimants' claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted is denied.
- 4) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Louis L. Rothey, Sr.'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 Louis L. Rothey, Sr. must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm A.G. Edwards & Sons, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,750.00</u>
Total Member Fees	= \$ 5,200.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with a single arbitrator @ \$450.00/session = \$ 450.00	
Pre-hearing conference: December 24, 2003	1 session

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session = \$ 1,125.00	
Pre-hearing conference: June 26, 2003	1 session

Seven (7) Hearing sessions @ \$1,125.00/session = \$ 7,875.00	
Hearings: February 18, 2004	2 sessions
February 19, 2004	2 sessions
November 3, 2004	2 sessions
November 4, 2004	1 session

Total Forum Fees	= \$ 9,450.00
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The Panel assessed \$9,450.00 of the forum fees jointly and severally to Claimants Alfred C. Strohlein and Catherine A. Strohlein, Trustees for the Strohlein Family Trust u/a dated 9/7/91.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

A.G. Edwards & Sons, Inc. requested service:
copies of hearing tapes = \$ 90.00

Fee Summary

1. Claimants Alfred C. Strohlein and Catherine A. Strohlein, Trustees for the Strohlein Family Trust u/a dated 9/7/91 are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 9,450.00
Total Fees	= \$ 9,750.00
Less payments	= \$(1,425.00)
Balance Due NASD Dispute Resolution	= \$ 8,325.00

2. Respondent A.G. Edwards & Sons, Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Administrative Costs	= \$ 90.00
Total Fees	= \$ 5,290.00
Less payments	= \$(5,290.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

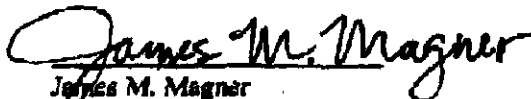
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

James M. Wagner
Katherine Jane Morris
Anatoly "Tony" Zuban

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures


James M. Wagner
Chair, Public Arbitrator

11-17-04
Signature Date

Katherine Jane Morris
Public Arbitrator

Signature Date

Anatoly "Tony" Zuban
Non-Public Arbitrator

Signature Date

11/18/04
Date of Service

ARBITRATION PANEL


James M. Magner
Katherine Jane Morris
Anatoly "Tony" Zuban

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

James M. Magner
Chair, Public Arbitrator

Signature Date


Katherine Jane Morris
Public Arbitrator

11/18/04
Signature Date

Anatoly "Tony" Zuban
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Signature Date

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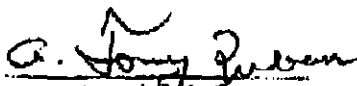
Concurring Arbitrators' Signatures

James M. Magner
Chair, Public Arbitrator

Signature Date

Katherine Jane Morris
Public Arbitrator

Signature Date


Anatoly "Tony" Zuban
Non-Public Arbitrator

11-15-04
Signature Date

11/18/04
Date of Service