

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Samuel E. Sprehe

Case Number: 02-06011

Name of the Respondents
A.G. Edwards & Sons, Inc.
James B. Latham

Hearing Site: Raleigh, NC

Nature of the Dispute: Customer v. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimant, Samuel E. Sprehe, hereinafter referred to as "Claimant", was represented by Harry S. Miller, Esq., Perkins, Smith & Cohen, LLP, Boston, Massachusetts.

Respondents, A.G. Edwards & Sons, Inc. ("A.G. Edwards") and James B. Latham ("Latham"), hereinafter collectively referred to as "Respondents", were represented by Clay L. Grumke, Esq., A.G. Edwards & Sons, Inc., St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on October 8, 2002.

Claimant signed the Uniform Submission Agreement on October 2, 2002.

Statement of Answer filed by Respondents on December 4, 2002.

A representative of Respondent A.G. Edwards signed the Uniform Submission Agreement on December 3, 2002.

Respondent Latham signed the Uniform Submission Agreement on December 3, 2002.

CASE SUMMARY

Claimant asserted the following causes of action, among others: breach of fiduciary duty, churning, fraud, deceit, negligence, negligent and intentional misrepresentation, breach of contract, unauthorized trading, failure to supervise, *respondeat superior*, breach of the covenant of good faith and fair dealing, and suitability. The causes of action relate to the purchase and sale of various securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimant's claims are barred by the doctrines of waiver, laches, estoppel, and ratification; Claimant's claims are barred by Claimant's customer agreement and Section 8-319 of the Uniform Commercial Code; assumption of the risk; failure to mitigate damages; authorization; Claimant's claims are barred

by the statute of limitations; and failure to state a claim upon which relief may be granted.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 395,813.00
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents requested that the Statement of Claim be dismissed in its entirety and that all costs of the arbitration be assessed to Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing on the merits, Respondents made an oral Motion to Dismiss, which the Arbitration Panel (the "Panel") denied.

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

1. That Claimant's claims are denied in their entirety;
2. That the parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
3. That any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent A.G. Edwards is a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

January 6-9, 2004 and February 3-4, 2004, adjournment by Claimant and Respondents	= \$ 1,125.00
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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 a single arbitrator @ \$ 450.00	= \$ 450.00
Pre-hearing conferences: March 12, 2004 1 session	

One (1) Pre-hearing session with Panel @ \$ 1,125.00	= \$ 1,125.00
Pre-hearing conferences: July 8, 2003 1 session	

Eight (8) Hearing sessions @ \$ 1,125.00	= \$ 9,000.00
Hearing Dates: March 23, 2004 2 sessions	
March 24, 2004 2 sessions	
March 25, 2004 2 sessions	
March 26, 2004 2 sessions	

Total Forum Fees	= \$ 10,575.00
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1. The Panel has assessed \$ 5,287.50 of the forum fees to Respondent A.G. Edwards.
2. The Panel has assessed \$ 5,287.50 of the forum fees to Respondent Latham.

Fee Summary

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 562.50
Total Fees	= \$ 862.50
Less payments	= \$ 1,425.00
Refund owed Claimant	= \$ 562.50

2. Respondent A.G. Edwards is assessed and shall pay:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 5,287.50

Total Fees	= \$ 10,487.50
Less payments	= \$ 7,950.00
Balance Due NASD Dispute Resolution	= \$ 2,537.50

4. Respondent Latham is assessed and shall pay:

Forum Fees	= \$ 5,287.50
Total Fees	= \$ 5,287.50
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 5,287.50

4. Respondents are jointly and severally assessed and shall pay:

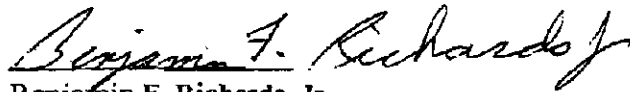
Adjournment Fee	= \$ 562.50
Total Fees	= \$ 562.50
Less Payments	= \$ 562.50
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Benjamin F. Richards, Jr.	-	Public Arbitrator, Presiding Chairperson
Frank H. Livingston	-	Public Arbitrator, Panelist
Thomas C. Looney	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Benjamin F. Richards, Jr.
Public Arbitrator, Presiding Chairperson

7 April 2004
Signature Date

Frank H. Livingston
Public Arbitrator, Panelist

Signature Date

Thomas C. Looney
Non-Public Arbitrator, Panelist

Signature Date

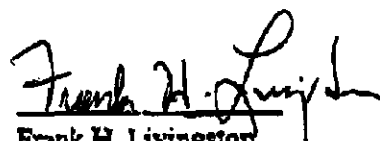
April 14, 2004
Date of Service (For NASD Dispute Resolution office use only)

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Concurring Arbitrators' Signatures

Benjamin F. Richards, Jr.
Public Arbitrator, Presiding Chairperson

Signature Date



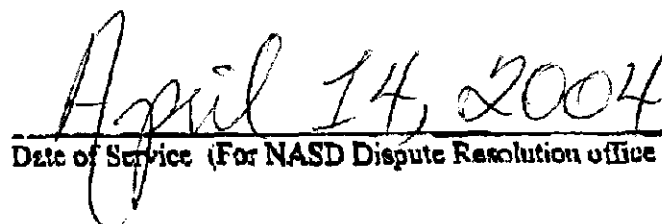
Frank H. Livingston
Public Arbitrator, Panelist



Signature Date

Thomas C. Looney
Non-Public Arbitrator, Panelist

Signature Date



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

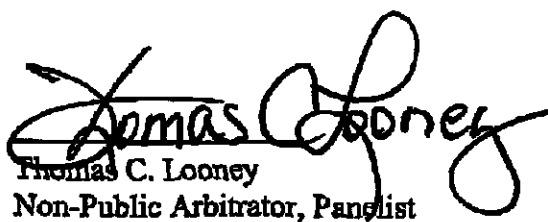
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Benjamin F. Richards, Jr.
Public Arbitrator, Presiding Chairperson

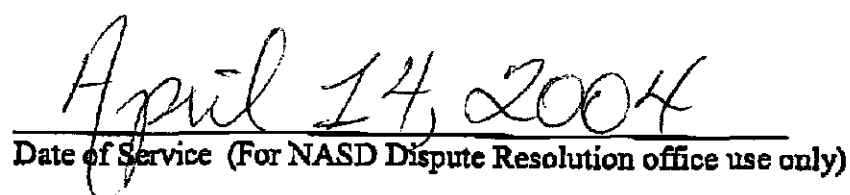
Signature Date

Frank H. Livingston
Public Arbitrator, Panelist

Signature Date


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Non-Public Arbitrator, Panelist


Signature Date


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