

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Edward J. Hunt, individually, and as Trustee of the Hunt Family Trust u/a/d December 2, 1993,
Susan Hunt, individually and as Trustee of the Hunt Family Trust u/a/d December 2, 1993, Jerry
R. Blackburn, Carol Blackburn, and Brian R. Bahnsen, individually, and as Custodian for
Cameran M. Bahnsen, Claimants v. A.G. Edwards & Sons, Inc., Raymond F. Vadeboncoeur, and
Robert R. Heinze, Respondents

Case Number: 02-06101

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimants:

James A. McQueen, Esq.
McQueen & Ashman LLP
Irvine, California

For Respondents:

William S. Port, Esq.
A.G. Edwards & Sons, Inc.
St. Louis, Missouri

CASE INFORMATION

Initial Statement of Claim filed: October 10, 2002

Amended Statement of Claim filed: February 10, 2004

Claimant Edward J. Hunt's Uniform Submission Agreement signed: August 5, 2002

Claimant Susan Hunt's Uniform Submission Agreement signed: August 5, 2002

Claimant Hunt Family Trust u/a/d December 2, 1993's Uniform Submission Agreement signed:
August 5, 2002

Claimant Jerry J. Blackburn's Uniform Submission Agreement signed: July 29, 2002

Claimant Carol Blackburn's Uniform Submission Agreement signed: July 29, 2002

Claimant Brian R. Bhansen's Uniform Submission Agreement, individually and as Custodian for
Cameran M. Bahnsen, signed: August 28, 2002

Joint Statement of Answer and Motion to Sever filed by Respondents: December 11, 2002

Joint Statement of Answer to Amended Statement of Claim filed by Respondents:
March 19, 2004

Respondent A.G. Edwards & Sons, Inc.'s Uniform Submission Agreement signed:
December 11, 2002

Respondent Raymond F. Vadeboncoeur's Uniform Submission Agreement signed:
November 11, 2002

Respondent Robert R. Heinze's Uniform Submission Agreement signed: November 27, 2002

CASE SUMMARY

In their Initial Statement of Claim, Claimants alleged misrepresentation, omissions, mismanagement of margin trading, unauthorized trading, negligence, and margin calls involving transactions in shares of General Electric, Atlantic Richfield, GTE, and AT&T stocks.

In their Amended Statement of Claim, Claimants alleged misrepresentation, omissions, heavy use of margin trading, churning, unauthorized trading, gross negligence, and failure to supervise, breach of contract, breach of fiduciary duty, unsuitability, unauthorized trading, fraud, misrepresentation and omission of facts. Claimant's allegations in their Amended Statement of Claim involved transactions in shares of General Electric, Atlantic Richfield, GTE, and AT&T stocks.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statements of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In their Initial and Amended Statements of Claims, Claimants requested \$784,000.00 in compensatory damages, unspecified punitive damages, and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statements of Claim in their entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On November 21, 2002 and December 17, 2002, Claimants and Claimants' counsel 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 28, 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 December 11, 2002, Respondents filed a Motion to Sever. On June 11, 2003, Claimants filed an opposition to the Motion. On June 19, 2003, the Panel denied Respondents' Motion to Sever.

On February 10, 2004, Claimants filed a Motion to Amend Statement of Claim pursuant to the Rule 10328(b) of NASD Code of Arbitration Procedure ("Code"). On February 24, 2004, Respondents filed an opposition to the Motion. On March 12, 2004, the Panel granted Claimants' Motion to Amend the Statement of Claim.

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) Respondent A.G. Edwards & Sons, Inc. is liable to and shall pay Claimant Susan Hunt, on behalf of the Susan Hunt Profit Sharing Plan Account 1, Number 239-070159 822016413, the sum of \$80,000.00 in compensatory damages.
- 2) Respondent A.G. Edwards & Sons, Inc. is liable to and shall pay Claimant Hunt Family Trust u/a/d December 2, 1993 the sum of \$150,000.00 in compensatory damages.
- 3) Respondent A.G. Edwards & Sons, Inc. is liable to and shall pay Claimants Jerry R. Blackburn and Carol Blackburn the sum of \$100,000.00 in compensatory damages.
- 4) Respondent A.G. Edwards & Sons, Inc. is liable to and shall pay Claimant Brian R. Bahnsen the sum of \$120,000.00 in compensatory damages.
- 5) The Parties shall bear their respective costs, including attorney's fees.
- 6) All other relief requested and not expressly granted is denied.

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	= \$ 375.00
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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	= \$ 2,250.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 4,000.00</u>
Total Member Fees	= \$ 7,000.00

Adjournment Fees

The following adjournment fees are assessed:

December 2-5, 2003, adjournment requested jointly by parties	= \$ 1,200.00
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Pursuant to Rule 10403(b) of the Code, the adjournment fee is waived.

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:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 2,400.00
Pre-hearing conferences:	
April 7, 2003	1 session
May 5, 2004	1 session

Seven (7) Hearing sessions @ \$1,200.00/session	= \$ 8,400.00
Hearings:	
November 16, 2004	2 sessions
November 17, 2004	2 sessions
November 18, 2004	2 sessions
November 19, 2004	1 session

Total Forum Fees	= \$ 10,800.00
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1. The Panel assessed \$5,400.00 of the forum fees jointly and severally to Claimants Edward J. Hunt, individually, and as Trustee of the Hunt Family Trust u/a/d December 2, 1993, Susan Hunt, individually and as Trustee of the Hunt Family Trust u/a/d December 2, 1993, Jerry R. Blackburn, Carol Blackburn, and Brian R. Bahnsen, individually, and as Custodian for Cameran M. Bahnsen.
2. The Panel assessed \$5,400.00 of the forum fees to Respondent A.G. Edwards & Sons, Inc.

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.

Respondent A.G. Edwards & Sons, Inc. requested photocopy service	
8 copies @ \$.50	= \$ 4.00

Fee Summary

1. Claimants Edward J. Hunt, individually, and as Trustee of the Hunt Family Trust u/a/d December 2, 1993, Susan Hunt, individually and as Trustee of the Hunt Family Trust u/a/d December 2, 1993, Jerry R. Blackburn, Carol Blackburn, and Brian R. Bahnsen, individually, and as Custodian for Cameran M. Bahnsen are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 5,400.00
Total Fees	= \$ 5,775.00
Less payments	= \$ (1,700.00)
Less unused Mediation Deposit	= \$ (450.00)
Balance Due NASD Dispute Resolution	= \$ 3,625.00
2. Respondent A.G. Edwards & Sons, Inc. is charged with the following fees and costs:


Member Fees	= \$ 7,000.00
Forum Fees	= \$ 5,400.00
Administrative Costs	= \$ 4.00
Total Fees	= \$ 12,404.00
Less payments	= \$ (8,550.00)
Less unused Mediation Deposit	= \$ (450.00)
Balance Due NASD Dispute Resolution	= \$ 3,404.00

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

Gerald A. Koris, Esq.	-	Public Arbitrator, Presiding Chair
Victoria E. Johnson	-	Public Arbitrator
Stephen Brixey, Jr.	-	Non-Public Arbitrator

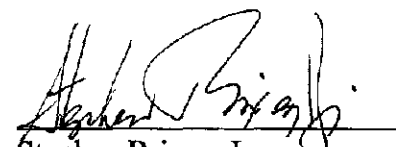
Concurring Arbitrators' Signatures


Gerald A. Koris, Esq.
Chair, Public Arbitrator

11-19-04
Signature Date


Victoria E. Johnson
Public Arbitrator

11/19/04
Signature Date


Stephen Brixey, Jr.
Non-Public Arbitrator

11-19-04
Signature Date

11/19/04
Date of Service