

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Ronald S. Bergman

and

02-06987
Phoenix, Arizona

Name of Respondents

A.G. Edwards & Sons, Inc.
Karen L. Rittel

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

REPRESENTATION OF PARTIES

Ronald S. Bergman ("Claimant") was represented by John J. Nicgorski, Esq., Mohr, Hackett, Pederson, Blakley & , Phoenix, Arizona.

A.G. Edwards & Sons, Inc. ("Respondent AG Edwards") and Karen L. Rittel ("Respondent Rittel")(collectively as "Respondents") were represented by Michael Naccarato, Esq., A.G. Edwards & Sons, Inc., St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about November 19, 2002. Submission Agreement of Claimant Ronald S. Bergman was signed on September 30, 2002.

Statement of Answer was filed by Respondents A.G. Edwards & Sons, Inc. and Karen L. Rittel on or about January 31, 2003. Submission Agreement of Respondent A.G. Edwards & Sons, Inc. was signed on January 10, 2003. Submission Agreement of Respondent Karen L. Rittel was signed on December 9, 2002.

CASE SUMMARY

Claimant asserted the following causes of action: The purchase of unsuitable and speculative sub-accounts within Claimant's variable annuity; misrepresenting and failing to disclose material facts to Claimant regarding the securities recommended and the investment strategies employed; breach of fiduciary duty; violations of the Arizona and Federal Securities laws; failure to supervise; breach of

duty and breach of contract; fraud and misrepresentation; and negligence and negligent misrepresentation.

Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Not only was Claimant well aware of all of the activity in his accounts, he approved it in advance. All recommendations made to Claimant were suitable in that they were made with his financial situation and investment objectives in mind; at no time did Claimant ever indicate that safety of principal was a primary, or a secondary for that matter, investment objective of his; Claimant always indicated to Ms. Rittel that he was a long-term growth investor; Further, Ms. Rittel never knowingly misrepresented an investment to Claimant; many of the investment decisions in Claimant's accounts were not only made on an unsolicited basis but were, in fact, made against the advice of Ms. Rittel; the losses sustained by claimant in his accounts were primarily the result of an overall market correction which is, of course, beyond the control of the Respondents in this matter. Respondents also asserted affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant Ronald S. Bergman requested:

Compensatory Damages - \$68,000.00 plus lost opportunity profits.
Punitive Damages – in an amount deemed appropriate by the arbitrators.
Interest – pre- and post-award interest at the maximum rate allowed by law.
Attorneys' Fees – and all costs, expenses and disbursements by Claimant.
Other Costs
Other Monetary/Non-Monetary Relief, if any

OTHER ISSUES CONSIDERED & DECIDED

This case settled and Claimant Ronald S. Bergman and Respondents A.G. Edwards & Sons, Inc. and Karen Rittel have executed a Settlement Agreement and Release.

This stipulated award was prepared, in part, based on a proposed award document submitted by Respondents.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies. The parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings and the stipulation of the parties, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination and find as follows:

1. Claimant's claims against Respondents A.G. Edwards & Sons, Inc. and Karen L. Rittel are hereby dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Karen L. Rittel'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 Karen L. Rittel must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. Any and all relief not specifically addressed herein is 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 = \$225.00

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. In this matter, the member firm(s) is A.G. Edwards & Sons, Inc.

Member surcharge	\$	1,100.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	1,700.00
Total Member Fees	\$	3,550.00

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session(s) with Panel	x	750.00	\$	750.00
June 12, 2003	1	session		

Total Forum Fees \$ 750.00

The Arbitration Panel has assessed \$375.00 of the forum fees to Ronald S. Bergman.

The Arbitration Panel has assessed \$375.00 of the forum fees jointly and severally to A.G. Edwards & Sons, Inc. and Karen L. Rittel.

Fee Summary

Claimant, Ronald S. Bergman, shall be and hereby is liable for:

Initial Filing Fee	= \$	225.00
Retained Hearing Session Deposit pursuant to Rule 10332(g)	= \$	375.00
<u>Forum Fees</u>	= \$	375.00
Total Fees	= \$	975.00
<u>Less payments</u>	= \$	-975.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent, A.G. Edwards & Sons, Inc., shall be and hereby is liable for:

Member Fees	= \$	3,550.00
Total Fees	= \$	3,550.00
<u>Less payments</u>	= \$	-3,925.00
Balance applied to fees below	= \$	-375.00

Respondents, A.G. Edwards & Sons, Inc. and Karen L. Rittel, shall be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$	375.00
Total Fees	= \$	375.00
<u>Less payments</u>	= \$	-375.00
Balance Due NASD Dispute Resolution	= \$	0.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

I. Douglas Dunipace, Esq. - Public Arbitrator, Presiding Chair
John V. Marian - Public Arbitrator
Mercedes G. Johnson - Non-Public Arbitrator

Aug 24 2004 11:22AM

I. Douglas Dunipace PLC

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NASD Dispute Resolution
Arbitration No. 02-06987
Stipulated Award Page 5 of 5

Concurring Arbitrators:


I. Douglas Dunipace, Esq.
Public Arbitrator, Presiding Chair

8/23/04
Signature Date

John V. Marian
Public Arbitrator

Signature Date

Mercedes G. Johnson
Non-Public Arbitrator

Signature Date

8/26/04
Date of Service (For NASD office use only)

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NASD Dispute Resolution
Arbitration No. 02-06967
Stipulated Award Page 5 of 5

Concurring Arbitrators:

I. Douglas Dunipace, Esq.
Public Arbitrator, Presiding Chair

John V. Marian
John V. Marian
Public Arbitrator

Mercedes G. Johnson
Non-Public Arbitrator

Signature Date

8-25-04
Signature Date

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 02-06987
Stipulated Award Page 5 of 5

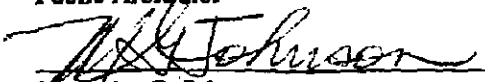
Concurring Arbitrators:

I. Douglas Dunipace, Esq.
Public Arbitrator, Presiding Chair

Signature Date

John V. Marian
Public Arbitrator

Signature Date


Mercedes G. Johnson
Non-Public Arbitrator

8/26/04
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