

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Richard Tully and Colleen Tully JTEN, Colleen Tully c/f Gavin Tully, Colleen Tully c/f Shannon Tully, Richard Tully IRA, and Colleen Tully IRA (Claimants) v. A.G. Edwards & Sons, Inc., James J. Coughlin, and Randall Ferraro (Respondents)

Case Number: 03-00218

Hearing Site: City, State

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

REPRESENTATION OF PARTIES

Claimants Richard Tully and Colleen Tully JTEN ("The Tullys"), Colleen Tully c/f Gavin Tully ("C. Tully c/f G. Tully"), Colleen Tully c/f Shannon Tully ("C. Tully c/f S. Tully"), Richard Tully IRA ("R. Tully IRA"), and Colleen Tully IRA ("C. Tully IRA") hereinafter collectively referred to as "Claimants": Chad N. Cagan, Esq., Sonnenblick, Parker & Selvers, P.C., Freehold, NJ.

Respondents A.G. Edwards & Sons, Inc. ("A.G. Edwards") and James J. Coughlin ("Coughlin"): Michael Naccarato, Esq., A.G. Edwards & Sons, Inc., St. Louis, MO.

Respondent Randall G. Ferraro ("Ferraro"): Michael Naccarato, Esq., A.G. Edwards & Sons, Inc., St. Louis, MO. Previously represented by: Virginia K. Sourlis, Esq., Red Bank, NJ.

A.G. Edwards, Coughlin, and Ferraro are hereinafter collectively referred to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about: January 2, 2003.

Claimants signed the Uniform Submission Agreement.

Joint Statement of Answer filed by Respondents on or about: September 29, 2003.

Respondent A.G. Edwards signed the Uniform Submission Agreement: September 29, 2003.

Respondent Coughlin signed the Uniform Submission Agreement: August 21, 2003.

Respondent Ferraro signed the Uniform Submission Agreement: March 23, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; unsuitability; misrepresentations; churning; fraud; negligence; failure to supervise; breach of contract; violation of securities laws and self regulatory rule violations; violation of New Jersey Securities

Act; respondeat superior; control person liability; aiding and abetting; and failure to supervise. The causes of action relate to unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$40,000.00; market adjusted damages; punitive damages; pre-judgment and post-judgment interest at the maximum rate allowed by law; attorneys' fees and costs; and such other relief as the Panel may deem equitable, just, and necessary.

Respondents requested an order dismissing all claims with prejudice; costs and expenses; expungement of Respondent Coughlin's CRD records; and such other relief as the Arbitrators deem appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

On or about July 2, 2004, NASD Dispute Resolution was notified that the parties settled this matter and have executed a Settlement Agreement and Release.

On or about October 1, 2004, the parties submitted Claimant's Motion to Dismiss and a Motion for Recommendation of Expungement of Record Upon Dismissal of Case for the Panel's approval. These documents are annexed respectively as Exhibits "A" and "B".

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

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Claimants' claims against Respondents are hereby dismissed with prejudice.

2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent James J. Coughlin'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 Coughlin must obtain confirmation from a court of competent jurisdiction before 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	= \$175.00
--------------------------	------------

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 persons at the time of the events giving rise to the dispute. In this matter, A.G. Edwards & Sons, Inc. is a party.

Member Surcharge	= \$ 875.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,625.00

Forum Fees and Assessments

The 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. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$600.00/session	= \$600.00
<u>Pre-hearing conference: February 5, 2004 1 session</u>	
Total Forum Fees	= \$600.00

1. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimants, jointly and severally, have been assessed \$300.00 of the forum fees.
2. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondents, jointly and severally, have been assessed \$300.00 of the forum fees.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 175.00
<u>Forum Fees</u>	= \$ 600.00
Total Fees	= \$ 775.00
<u>Less payments</u>	= \$ 775.00
Refund Due Claimants	= \$ 0.00

Pursuant to Rule 10332(f) of the NASD Code of Arbitration Procedure, NASD is retaining the total amount of the hearing session deposited by the Claimant because this office was notified by the parties that they settled within eight business days of the first scheduled hearing.

2. Respondent A.G. Edwards is solely liable for:


<u>Member Fees</u>	= \$2,625.00
Total Fees	= \$2,625.00
<u>Less payments</u>	= \$2,625.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

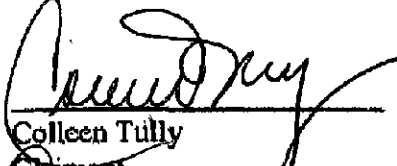
<u>Forum Fees</u>	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 300.00

All balances are due and payable to NASD Dispute Resolution

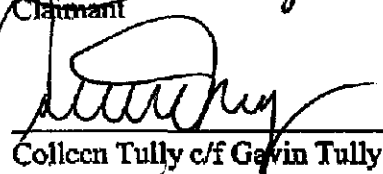
Parties' Signatures


Richard Tully
Claimant

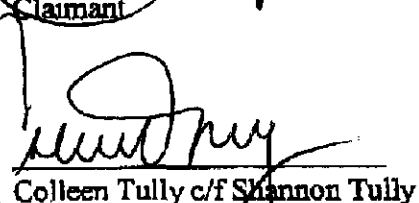
10/18/04
Signature Date


Colleen Tully
Claimant

10/18/04
Signature Date


Colleen Tully c/f Gavin Tully
Claimant

10/18/04
Signature Date


Colleen Tully c/f Shannon Tully
Claimant

10/18/04
Signature Date

A.G. Edwards & Sons, Inc.
Respondent

Signature Date

James J. Coughlin
Respondent

Signature Date

Randall G. Ferraro
Respondent

Signature Date

Parties' Signatures

Richard Tully
Claimant

Signature Date

Colleen Tully
Claimant

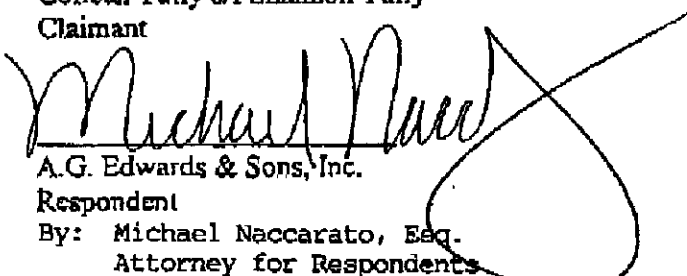
Signature Date

Colleen Tully c/f Gavin Tully
Claimant

Signature Date

Colleen Tully c/f Shannon Tully
Claimant

Signature Date


A.G. Edwards & Sons, Inc.

Respondent

By: Michael Naccarato, Esq.
Attorney for Respondents

11/16/04

Signature Date

James J. Coughlin
Respondent

Signature Date

Randall G. Ferraro
Respondent

Signature Date

Parties' Signatures

Richard Tully
Claimant

Signature Date

Colleen Tully
Claimant

Signature Date

Colleen Tully c/f Gavin Tully
Claimant

Signature Date

Colleen Tully c/f Shannon Tully
Claimant

Signature Date

A.G. Edwards & Sons, Inc.
Respondent

Signature Date



James J. Coughlin
Respondent

10/12/04

Signature Date

Randall G. Ferraro
Respondent

Signature Date

Parties' Signatures

Richard Tully
Claimant

Signature Date

Colleen Tully
Claimant

Signature Date

Colleen Tully c/f Gavin Tully
Claimant

Signature Date

Colleen Tully c/f Shannon Tully
Claimant

Signature Date

A.G. Edwards & Sons, Inc.
Respondent

Signature Date

James J. Coughlin
Respondent

Signature Date



Randall G. Ferraro
Respondent

11/5/04
Signature Date

ARBITRATION PANEL

Andrew Berger, Esq.	-	Public Arbitrator, Presiding Chair
Saverio J. Cina	-	Public Arbitrator
Noah D. Sorkin, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.



Andrew Berger, Esq.
Public Arbitrator, Presiding Chair

Nov. 17, 2004

Signature Date

Saverio J. Cina
Public Arbitrator

Signature Date

Noah D. Sorkin, Esq.
Non-Public Arbitrator

Signature Date

December 3, 2004

Date of Service (For NASD office use only)

ARBITRATION PANEL

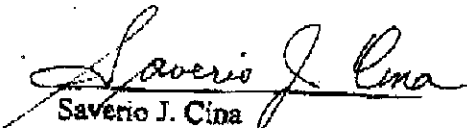
Andrew Berger, Esq.	-	Public Arbitrator, Presiding Chair
Saverio J. Cina	-	Public Arbitrator
Noah D. Sorkin, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.

Andrew Berger, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Saverio J. Cina
Public Arbitrator

11/16/04
Signature Date

Noah D. Sorkin, Esq.
Non-Public Arbitrator

Signature Date

December 3, 2004

Date of Service (For NASD office use only)

Andrew Berger, Esq.	-	Public Arbitrator, Presiding Chair
Saverio J. Cina	-	Public Arbitrator
Noah D. Sorkin, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.

Andrew Berger, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Saverio J. Cina
Public Arbitrator

Signature Date

Noah D. Sorkin, Esq.
Non-Public Arbitrator



Signature Date

December 3, 2004

Date of Service (For NASD office use only)

IN ARBITRATION BEFORE
NASD DISPUTE RESOLUTION, INC.

RICHARD TULLY and
COLLEEN TULLY,

Claimants,

v.

A.G. EDWARDS & SONS, INC.,
JAMES J. COUGHLIN and
RANDALL G. FERRARO,

Respondents.

NASD-DR Case No. 03-00218

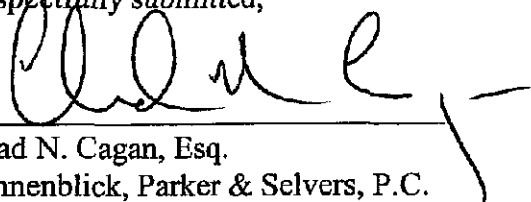
CLAIMANTS' MOTION TO DISMISS

Come now Claimants Richard and Colleen Tully and for their Motion to Dismiss state that the parties to the above-styled cause have reached agreement on settlement terms.

WHEREFORE, Claimants respectfully request that this matter be dismissed with prejudice from arbitration proceedings and be removed from the docket of the NASD Dispute Resolution, Inc.

Respectfully submitted,

9/7/04
Date


Chad N. Cagan, Esq.
Sonnenblick, Parker & Selvers, P.C.
4400 Route 9 South
Freehold, NJ 07728
732-431-1234
Counsel for Claimants

CERTIFICATE OF SERVICE

This is to certify that the original of the foregoing Claimants' Motion to Dismiss was sent via First Class U.S. Mail, postage prepaid, this _____ day of _____, 2004 to Vilna L. Henry, Senior Arbitration Administrator, NASD Dispute Resolution, Inc., One Liberty Plaza, 165 Broadway, 27th Floor, New York, New York 10006, with a copy of same via First Class U.S. Mail, postage prepaid, to Michael Naccarato, Esq., A.G. Edwards & Sons, Inc., One North Jefferson Avenue, St. Louis, MO 63103.

In the Matter of the Arbitration Between

Richard Tully and Colleen Tully,

Claimants

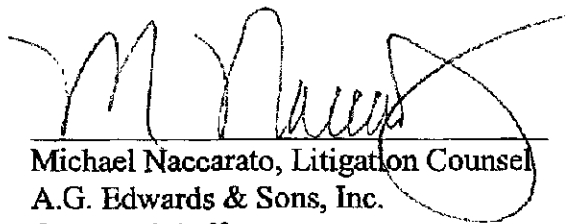
Case No. 03-00218

A.G. Edwards & Sons, Inc.,
James J. Coughlin and Randall G. Ferraro

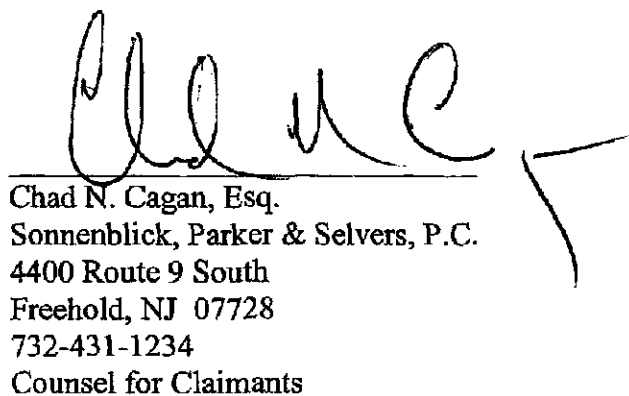
Respondents

MOTION FOR RECOMMENDATION OF EXPLUNGEMENT OF RECORD
UPON DISMISSAL OF CASE

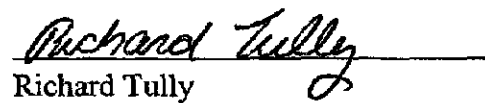
Come now Claimants and Respondents in the above-referenced matter, concurrent with the dismissal of the above-referenced case as provided by Claimants in separate writing, and move herein for a stipulated award from the panel regarding the issue of expungement of record of Respondent James J. Coughlin only. The parties herein request that the panel execute an award recommending the expungement of all reference to the above-captioned arbitration from Respondent James J. Coughlin's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent James J. Coughlin must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive, and that the record in question will not be deleted with respect to access by any member firm or the duly recognized investigative authority of any self-regulating organization of which Respondent A.G. Edwards is a member.



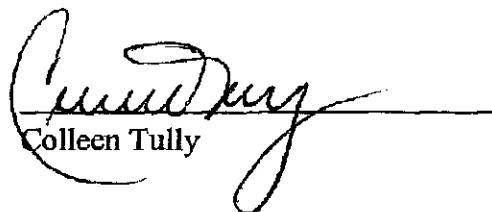
Michael Naccarato, Litigation Counsel
A.G. Edwards & Sons, Inc.
One North Jefferson
St. Louis, MO 63103
(314) 955-3802
Counsel for Respondents



Chad N. Cagan, Esq.
Sonnenblick, Parker & Selvers, P.C.
4400 Route 9 South
Freehold, NJ 07728
732-431-1234
Counsel for Claimants



Richard Tully



Colleen Tully