

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Case Number: 03-00495

Dagmar E. Bazzoni Revocable Trust dtd. 10/13/93,
Dagmar E. Bazzoni, Trustee, Richard A. Bazzoni
Marital Trust dtd. 8/10/99, Dagmar E. Bazzoni and
Scott R. Jones, Trustees, and Richard A. Bazzoni Family
Trust dtd. 8/10/99, Dagmar and Scott R. Jones, Trustees,
Michael Bazzoni and Michael Bazzoni IRA,

Name of the Respondents

Hearing Site: St. Louis, Missouri

Stifel, Nicolaus & Company, Inc. and
David W. Simons

NATURE OF DISPUTE

Customers vs. Member Firm and Associated Person

REPRESENTATION OF PARTIES

H. Clay Billingsley, Esq. and John A. Kilo, Esq. of the law firm Kilo, Flynn, Billingsley, Trame & Brown located in St. Louis, Missouri represented the Claimants, Dagmar E. Bazzoni and Scott R. Jones, Trustees for the Dagmar E. Bazzoni Revocable Trust, Richard A. Bazzoni Marital Trust and the Richard A. Bazzoni Family Trust and Michael Bazzoni, herein collectively referred to as "Claimants."

Lisa A. Nielsen, Esq. of the law firm, Greensfelder, Hemker & Gale, P.C. located in St. Louis, Missouri, represented the Respondents, Stifel, Nicolaus & Co., Inc. ("Stifel") and David W. Simons ("Simons"), hereinafter collectively referred to as "Respondents."

CASE INFORMATION

Statement of Claim filed on or about January 22, 2003. Claimants, Dagmar Bazzoni and Scott R. Jones, jointly signed the Uniform Submission Agreement on January 16, 2003. Claimant, Michael Bazzoni, signed the Uniform Submission Agreement on January 16, 2003.

Statement of Answer filed by Respondents, Stifel, Nicolaus & Co., Inc. and David W. Simons, on April 4, 2003. Respondent, Stifel, Nicolaus & Co., Inc. signed the Uniform Submission Agreement on January 31, 2003. Respondent, David W. Simons, signed the Uniform Submission Agreement on January 31, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: negligence, failure to supervise, breach of fiduciary duty, misrepresentations, churning, omissions and suitability. The causes of action relate to securities that were unsuitable to Claimants' investment goals and objectives.

Unless specifically admitted in its Answer, Respondents Stifel and Simons denied the allegations made in the Statement of Claim and asserted the following defenses:

1. All claims are barred by the statute of limitations.
2. Claimants authorized and instructed Mr. Simons and/or Stifel to enter into all of the transactions at issue and therefore, claims based on such transactions should be dismissed.
3. The claims asserted in the Statement of Claim are barred by the doctrines of waiver and release.
4. Claimants ratified all transactions that took place in their accounts and therefore, Claimants are barred from recovering any alleged losses resulting from such transactions.
5. To the extent that Claimants have suffered any damages, they are the product of the negligent conduct of Claimants such that some or all of their recovery is barred by those contributory or comparative negligence acts.
6. Claimants failed to mitigate their alleged damages and therefore, are barred from recovering any damages to the extent that such damages could have been prevented had they fulfilled their duty to mitigate.
7. To the extent Claimants base their claims on the NASD or NYSE rules, such rules do not provide for a private cause of action in favor of Claimants and therefore, such claims should be dismissed.
8. Claimants fail to allege any wrongful conduct on the part of Mr. Simons and/or Stifel in connection with a specific investment transaction and therefore, Claimants fail to state a claim against Mr. Simons and/or Stifel.
9. Despite Claimants allegations to the contrary, at all time relevant herein, Stifel had adequate supervisory mechanisms and safeguards governing the actions of its investment representatives, and, at all time relevant herein, Stifel acted in accordance with these procedures.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$1,500,000.00
Punitive Damages	\$1,500,000.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	unspecified

Respondents, Stifel, Nicolaus & Co., Inc. and David W. Simons, requested that all claims be dismissed against the Respondents, and that any reference to this arbitration be expunged from the Central Depository Record ("CRD") of David W. Simons.

OTHER ISSUES CONSIDERED AND DECIDE

At the hearing of this matter, Claimants withdrew all claims in their original Statement of Claim, except claims of suitability and supervision.

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. Respondents, Stifel, Nicolaus & Company, Inc. and David W. Simons, are jointly and severally liable for and shall pay to Claimant, Dagmar E. Bazzoni Revocable Trust dtd. 10/13/93, Dagmar E. Bazzoni, Trustee, the sum of \$123,760.00 as compensatory damages.
2. Respondents, Stifel, Nicolaus & Co., Inc. and David W. Simons, are jointly and severally liable for and shall pay to Claimants, Dagmar E. Bazzoni, Scott R. Jones and Michael Bazzoni, the sum of \$500.00 for the non-refundable NASD Dispute Resolution filing fee.
3. Parties shall bear their own costs, including attorneys' fees, except as specified herein.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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	= \$ 500.00
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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 person at the time of the events giving rise to the dispute. Accordingly, Stifel, Nicolaus & Co., Inc. is a party and is therefore assessed the following fees:

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conferences: March 22, 2004 1 session	
May 4, 2004 1 session	
One (1) Pre-hearing session with Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: January 6, 2004 1 session	
Nine (9) Hearing sessions @ \$1,200.00	= \$10,800.00
Hearing Dates: May 11, 2004 2 sessions	
May 12, 2004 2 sessions	
May 13, 2004 2 sessions	
May 14, 2004 3 sessions	
Total Forum Fees	= \$12,900.00

1. The Panel has assessed 50% of the total forum fees in the amount of \$6,450.00 jointly and severally to Claimants, Dagmar E. Bazzoni, Scott R. Jones and Michael Bazzoni.
2. The Panel has assessed 50% of the total forum fees in the amount of \$6,450.00 jointly and severally to Respondents, Stifel, Nicolaus & Co., Inc. and David W. Simons.

Fee Summary

1. Claimants, Dagmar E. Bazzoni, Scott R. Jones and Michael Bazzoni, are jointly liable for:	
Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 6,450.00
Total Fees	= \$ 6,950.00
Less payments	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 5,250.00

2. Respondent, Stifel, Nicolaus & Co., Inc. is solely liable for:

Member Fees	= \$ 8,550.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents, Stifel, Nicolaus & Co., Inc. and David W. Simons, are jointly and severally liable for:

Forum Fees	= \$ 6,450.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 6,450.00

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

ARBITRATION PANEL

Keith E. Mattern, Esq.	-	Public Arbitrator, Presiding Chairperson
Frederick Michael Switzer, III, J.D.	-	Public Arbitrator
Robert Shiffra, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Keith E. Mattern, Esq.
Public Arbitrator, Presiding Chairperson

5/28/04
Signature Date

Frederick Michael Switzer, III, J.D.
Public Arbitrator

5/28/04
Signature Date

Dissenting Arbitrator's Signature

Robert Shiffra, Esq.
Non-Public Arbitrator

5/28/04
Signature Date

5/28/04
Date of Service (For NASD Dispute Resolution office use only)

2. Respondent, Stifel, Nicolaus & Co., Inc. is solely liable for:

Member Fees	= \$ 8,550.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents, Stifel, Nicolaus & Co., Inc. and David W. Simons, are jointly and severally liable for:

Forum Fees	= \$ 6,450.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 6,450.00

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Robert Shiffra, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Keith E. Mattern, Esq.
Public Arbitrator, Presiding Chairperson

May 28, 2004
Signature Date

Frederick Michael Switzer, III, J.D.
Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Robert Shiffra, Esq.
Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution
 Arbitration No. 03-00495
 Award Page 5

2. Respondent, Stifel, Nicolaus & Co., Inc. is solely liable for:
- | | |
|-------------------------------------|---------------|
| Member Fees | = \$ 8,550.00 |
| Less payments | = \$ 8,550.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |
3. Respondents, Stifel, Nicolaus & Co., Inc. and David W. Simons, are jointly and severally liable for:
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| Forum Fees | = \$ 6,450.00 |
| Less payments | = \$ 0.00 |
| Balance Due NASD Dispute Resolution | = \$ 6,450.00 |

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 Keith E. Mattern, Esq.
 Public Arbitrator, Presiding Chairperson

 Signature Date


 Frederick Michael Switzer, III, J.D.
 Public Arbitrator

05/28/04
 Signature Date

Dissenting Arbitrator's Signature

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NASD Dispute Resolution
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Award Page 5

2. Respondent, Stifel, Nicolaus & Co., Inc. is solely liable for:
- | | |
|-------------------------------------|---------------|
| Member Fees | = \$ 2,550.00 |
| <u>Less payments</u> | = \$ 2,550.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |
3. Respondents, Stifel, Nicolaus & Co., Inc. and David W. Simons, are jointly and severally liable for:
- | | |
|-------------------------------------|---------------|
| Forum Fees | = \$ 6,450.00 |
| <u>Less payments</u> | = \$ 0.00 |
| Balance Due NASD Dispute Resolution | = \$ 6,450.00 |

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 Signature Date

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 Non-Public Arbitrator

5-28-04
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