

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Robert J. Brown, Claimant vs. A.G. Edwards & Sons, Inc. and Steven Todd Zeller, Respondents

Case Number: 03-01526

Hearing Site: San Francisco, California

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

REPRESENTATION OF PARTIES

For Claimant:

James Jay Seltzer, Esq.
The Law Offices of James Jay Seltzer
Emeryville, California

For Respondents:

Clay L. Grumke, Esq.
A.G. Edwards & Sons, Inc.
St. Louis, Missouri

CASE INFORMATION

Statement of Claim filed: February 28, 2003

Claimant's Uniform Submission Agreement signed: February 21, 2003

Joint Statement of Answer filed by Respondents: April 25, 2003

Respondent A.G. Edwards & Sons, Inc.'s Uniform Submission Agreement signed: April 25, 2003

Respondent Steven Todd Zeller's Uniform Submission Agreement signed: April 15, 2003

CASE SUMMARY

Claimant alleged violation of just and equitable principles of trade, unsuitability, omissions and misrepresentation of material fact, unauthorized trading, negligence, failure to supervise, violation of Corporations Code, breach of contract, violation of the implied covenant of good faith and fair dealing, breach of fiduciary duty, and fraud. Claimant's allegations involved transactions in various unspecified securities.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested unspecified compensatory damages, \$500,000.00 in punitive damages, pre-judgment interest, treble damages, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and that all costs be assessed to Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

On April 29, 2003 Claimant and Claimant's 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 March 17, 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.

During the hearing, Respondents moved the Panel to dismiss Claimant's claims. After due deliberation, the Panel denied the motion without prejudice.

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) Claimant's claims are denied in their entirety
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Steven Todd Zeller's registration records maintained by the NASD Central

Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Steven Todd Zeller must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

- 4) 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	= \$ 300.00
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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	= \$1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

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:

(1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: September 18, 2003 1 session	

(4) Hearing sessions @ \$1,125.00/session	= \$4,500.00
Hearings: July 13, 2004 2 sessions	
July 14, 2004 2 sessions	

Total Forum Fees	= \$5,625.00
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1. The Panel assessed \$2,812.50 of the forum fees to Claimant.
2. The Panel assessed \$2,812.50 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Claim Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 2,812.50</u>
Total Fees	= \$ 3,112.50
<u>Less payments</u>	<u>= \$(1,425.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,687.50

2. Respondent A.G. Edwards & Sons, Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
<u>Less payments</u>	<u>= \$(5,200.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	<u>= \$ 2,812.50</u>
Balance Due NASD Dispute Resolution	= \$ 2,812.50

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

Amy Seltzer, Ph.D	-	Public Arbitrator, Presiding Chair
Richard J. Stoehr	-	Public Arbitrator
Mark Aaron Jones	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Amy Seltzer, Ph.D
Chair, Public Arbitrator

Signature Date

Richard J. Stoehr
Public Arbitrator

Signature Date

Mark Aaron Jones
Non-Public Arbitrator

Signature Date

Date of Service

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Signature Date

Richard J. Stoehr
Public Arbitrator

Signature Date



Mark Aaron Jones
Non-Public Arbitrator

7/22/04

Signature Date

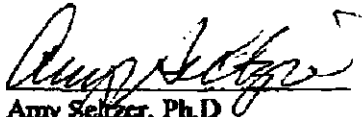
7/22/04

Date of Service

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Amy Seltzer, Ph.D
Chair, Public Arbitrator

3/21/04
Signature Date

Richard J. Stoehr
Public Arbitrator

Signature Date

Mark Aaron Jones
Non-Public Arbitrator

Signature Date

7/22/04
Date of Service

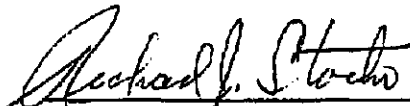
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Chair, Public Arbitrator

Signature Date


Richard J. Stoehr
Public Arbitrator

8-2-2004
Signature Date

Mark Aaron Jones
Non-Public Arbitrator

Signature Date

8/2/04
Date of Service