

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Richard and Joyce Feinberg

and

03-01676
Tucson, Arizona

Name of Respondents

A.G. Edwards & Sons, Inc.
Lester A. Stair

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

REPRESENTATION OF PARTIES

Richard and Joyce Feinberg ("**Claimants**") were represented by Herbert Beigel, Esq., Herbert Beigel & Associates, LLC, Tucson, Arizona.

A.G. Edwards & Sons, Inc. ("**Respondent A.G. Edwards**") and Lester A. Stair ("**Respondent Stair**") were represented by Clay L. Grumke, Esq., A.G. Edwards & Sons, Inc., St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about March 10, 2003. Submission Agreement of Claimant Richard Feinberg was signed on February 24, 2003. Submission Agreement of Claimant Joyce Feinberg was signed on February 24, 2003.

Joint Statement of Answer was filed by Respondents A.G. Edwards & Sons, Inc. and Lester A. Stair on or about April 30, 2003. Submission Agreement of Respondent A.G. Edwards & Sons, Inc. was signed on April 30, 2003 by Clay L. Grumke. Submission Agreement of Lester A. Stair was signed on April 14, 2003.

CASE SUMMARY

Claimant(s) asserted the following causes of action: sale of unsuitable securities, negligence and breach of fiduciary duty. Claimants specifically stated:

In short, Stair took it upon himself, knowing that the Feinbergs would simply sign what he put in front of him [sic], to characterize the Feinbergs as players in the market, though he well knew that the Feinbergs could not afford to take unnecessary risks with their modest capital and resources, which they had taken great pains to explain to Stair.

Predictably, and unfortunately, Stair recommended and put the Feinbergs into the all too familiar category of volatile stocks that in boom days go up and in bust days decline precipitously, to wit: technology, interest based stocks, and others that had a track record of severe volatility. Worse, the Feinbergs had put their faith in Stair when the market was already in the midst of a significant "correction," from which it has yet to recover.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated:

The Feinbergs sought out A.G. Edwards, having already established accounts at Dean Witter Reynolds. They walked into the A.G. Edwards office and requested a financial consultant to work with them to readjust the investments in their single account and IRA account to pursue a more aggressive investment strategy. Mr. Lester Stair, a financial consultant with a clean record and years of honorable military service prior to going into the financial industry, helped the Feinbergs make the desired and requested changes in their portfolios. All recommendations made by Stair and A.G. Edwards were completely suitable for the investment objectives and financial position and expressed investment desires of the Feinbergs. The Feinbergs accounts were handled completely in line with their investment objectives and in an appropriate investment manner.

RELIEF REQUESTED

Claimants requested an award in the amount of \$75,000.00 in compensatory damages, plus interest, costs and attorneys' fees.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, 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, the testimony, and the evidence presented at the hearing the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim shall be and hereby is dismissed in its entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Lester A. Stair'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 Lester A. Stair must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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

Adjournment Fees

Adjournments requested during these proceedings:

February 24-26, 2004, adjournment requested by Claimants	= \$750.00
October 26-28, 2004, adjournment requested by Claimants	= \$1,500.00

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
September 30, 2003	1 session			
2 Hearing sessions	x	750.00	\$	1,500.00
January 26, 2005	2 sessions			
Total Forum Fees			\$	2,250.00

The Arbitration Panel has assessed \$1,125.00 of the forum fees to Richard and Joyce Feinberg.
The Arbitration Panel has assessed \$1,125.00 of the forum fees jointly and severally to A.G. Edwards & Sons, Inc. and Lester A. Stair.

Fee Summary

Claimants, Richard and Joyce Feinberg shall be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$	225.00
Adjournment Fees	= \$	2,250.00
<u>Forum Fees</u>	= \$	1,125.00
Total Fees	= \$	3,600.00
<u>Less payments</u>	= \$	-975.00
Balance Due NASD Dispute Resolution	= \$	2,625.00

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>	= \$	-3,550.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, A.G. Edwards & Sons, Inc. and Lester A. Stair shall be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$	1,125.00
Total Fees	= \$	1,125.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	1,125.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Shirley A. Lilien - Public Arbitrator, Presiding Chair
John A. Finical - Public Arbitrator
James Sullivan - Non-Public Arbitrator

Concurring Arbitrators:

<u>Shirley A. Lilien</u>	<u>01/31/05</u>
Shirley A. Lilien	Signature Date
Public Arbitrator, Presiding Chair	
<u>John A. Finical</u>	<u>01/28/05</u>
John A. Finical	Signature Date
Public Arbitrator	
<u>James Sullivan</u>	<u>01/29/05</u>
James Sullivan	Signature Date
Non-Public Arbitrator	

2/3/05
Date of Service (For NASD office use only)

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>	= \$	-3,550.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, A.G. Edwards & Sons, Inc. and Lester A. Stair shall be and hereby are jointly and severally liable for:

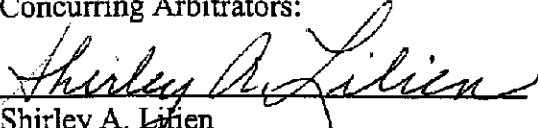
<u>Forum Fees</u>	= \$	1,125.00
Total Fees	= \$	1,125.00
<u>Less payments</u>	= \$	-0.00
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Public Arbitrator, Presiding Chair

1/31/05
Signature Date

John A. Finical
Public Arbitrator

Signature Date

James Sullivan
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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

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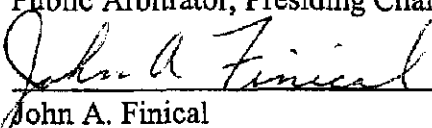
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Concurring Arbitrators:

Shirley A. Lilien
Public Arbitrator, Presiding Chair

Signature Date



John A. Finical
Public Arbitrator

01/28/2005

Signature Date

James Sullivan
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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>	= \$	-3,550.00
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Public Arbitrator, Presiding Chair

Signature Date

John A. Finical
Public Arbitrator

Signature Date


James Sullivan
Non-Public Arbitrator

1/29/2005
Signature Date

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