

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Roy Piazza Living Trust
Roy Piazza, Trustee,

Case Number: - 03-02273

Claimant

v.

A.G. Edwards & Sons, Inc. and
Martin L. Smith,

Hearing Site: Chicago, Illinois

Respondents

NATURE OF THE DISPUTE

Customer vs. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Roy Piazza Living Trust, Roy Piazza, Trustee ("Piazza"), hereinafter referred to as "Claimant":
Paul J. Sussman, Esq. of Chicago, Illinois.

A.G. Edwards & Sons, Inc. ("Edwards") and Martin L. Smith ("Smith"), hereinafter collectively referred to as "Respondents": M. Jane Matoesian, Esq. of A.G. Edwards & Sons, Inc., located in St. Louis, Missouri. Edwards and Smith were later represented by Jerry M. Santangelo, Esq. of the law firm Neal, Gerber & Eisenberg, LLP, located in Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: March 31, 2003

Claimant Piazza signed the Uniform Submission Agreement: March 26, 2003

Statement of Answer filed by Respondents, Edwards and Smith, on or about: May 28, 2003

Respondent Edwards signed the Uniform Submission Agreement: April 10, 2003

Respondent Smith signed the Uniform Submission Agreement: April 15, 2003

CASE SUMMARY

Claimants asserted the following causes of action: suitability; excessive trading; failure to hedge and monitor; fraud and misrepresentations; violation of the Federal Securities Acts; violation of Illinois Securities Act; violation of the Illinois Deceptive Trade Practices Act; negligence; failure to supervise; and breach of fiduciary duty. The causes of action relate to various securities including, Shop-At-Home, National Equipment Services, Global Crossing and March First. Claimant asserted that these securities were highly speculative and unsuitable to his investment needs and objectives.

Unless specifically admitted in its Answer, Respondents Edwards and Martin denied the allegations made in the Statement of Claim and asserted the following defenses: (1) the Statement of Claim fails to state a claim upon which relief can be granted; (2) contractual and legal bar to recovery under Claimants' agreements with Edwards and applicable law; (3) ratification, account stated, estoppel, waiver and laches; (4) failure to mitigate damages; (5)

statutes of limitation; (6) absence of fiduciary owed by Respondents; (7) absence of any private right or cause of action for violation of the self-regulatory organization rules; and (8) barred by bespeaks caution doctrine.

RELIEF REQUESTED

Claimants requested \$420,947.00 in compensatory damages; \$500,000.00 in punitive damages; additional and consequential damages, interest at the legal rate, costs, forum fees and attorney's fees.

Respondents Edwards and Martin requested that the claims asserted against them be denied in their entirety. In addition, Respondents requested an award of all costs and fees incurred in defending Claimant's claims, as well as an order of expungement of all references from Respondent Smith's record maintained with the Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

Upon further review of his claim, Piazza dismissed Smith with prejudice on May 20, 2005.

The parties have agreed that the Stipulated 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 originals remain on file with the NASD Dispute Resolution (the "NASD").

On or about May 20, 2005, NASD was notified that this matter had been settled. As part of the parties' settlement agreement, Respondents submitted a proposed Stipulated Award with a request that the Panel enter the Stipulated Award expunging all references to this matter from Respondent Martin L. Smith's registration records maintained by NASD.

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) All of Claimants' claims asserted against Respondent A.G. Edwards & Sons, Inc. are hereby dismissed with prejudice;
- 2.) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Martin L. Smith's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Smith must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees; and
- 4.) Any and all relief not specifically enumerated, including punitive damages is hereby 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 = \$ 375.00

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Respondent A.G. Edwards & Sons, Inc. requested hearing tapes = \$ 30.00

Adjournment Fees

Adjournments requested during these proceedings:

August 16-18, 2004, adjournment to mediate by both parties = \$1,200.00
(NASD waived)

November 3-5, 2004, adjournment by Claimant = \$1,200.00
(Panel waived)

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

May 24-26, 2005, settled by Claimant and Respondents = \$ 300.00

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 person at the time of the events giving rise to the dispute. In this matter, A.G. Edwards & Sons, Inc. is a party to this proceeding and is assessed the following:

Member surcharge = \$2,250.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$4,000.00

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. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$450.00
Pre-hearing conference: January 30, 2004 1 session

Two (2) Pre-hearing sessions with Panel x \$1,200.00 = \$2,400.00
Pre-hearing conferences: November 4, 2003 1 session
January 26, 2004 1 session

One (1) Hearing session x \$1,200.00 = \$2,400.00
Hearing Date: May 25, 2004 2 sessions
Total Forum Fees = \$5,250.00

1. The Panel assessed 50% of the total forum fees in the amount of \$2,625.00 solely to Claimant, Roy Piazza Living Trust, Roy Piazza, As Trustee.
2. The Panel assessed 50% of the total forum fees in the amount of \$2,625.00 jointly and severally to Respondents, A.G. Edwards & Sons, Inc. and Martin L. Smith.

FEE SUMMARY

Claimant, Roy Piazza, as Trustee, is hereby solely liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$2,625.00
<u>3-Day Cancellation Fee</u>	= \$ 100.00
Total Fees	= \$3,100.00
<u>Less payments</u>	= \$3,100.20
Balance Refunded by NASD Dispute Resolution	= \$.20

Respondent, A.G. Edwards & Sons, Inc. is hereby solely liable for:

Member Fees	= \$7,000.00
Administrative Fees	= \$ 30.00
<u>3-Day Cancellation Fee</u>	= \$ 100.00
Total Fees	= \$7,130.00
<u>Less payments</u>	= \$7,130.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, A.G. Edwards & Sons, Inc. and Martin L. Smith, are hereby jointly and severally liable for:

Forum Fees	= \$2,625.00
<u>Less payments</u>	= \$4,974.97
Balance Refunded by Dispute Resolution	= \$2,349.97

Respondent, Martin L. Smith, is hereby solely liable for:

3-Day Cancellation	= \$ 100.00
<u>Less payments</u>	= \$ 100.00
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due to NASD Dispute Resolution.

ARBITRATION PANEL

Alan S. Farnell, Esq.	-	Public Arbitrator, Presiding Chairperson
Steven F. Pflaum, Esq.	-	Public Arbitrator
Ronald C. Peters, CPA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Alan S. Farnell, Esq.
Alan S. Farnell, Esq.
Public Arbitrator, Presiding Chair

11/18/05
Signature Date

/s/ Steven F. Pflaum, Esq.
Steven F. Pflaum, Esq.
Public Arbitrator

11/16/05
Signature Date

/s/ Ronald C. Peters, CPA
Ronald C. Peters, CPA
Non-Public Arbitrator

11/28/05
Signature Date

11/18/05
Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration 03-02273
Award Page 5 of 5

Concurring Arbitrators' Signatures



Alan S. Farnell, Esq.
Public Arbitrator, Presiding Chair

11/18/05

Signature Date

Steven F. Pflaum, Esq.
Public Arbitrator

Signature Date

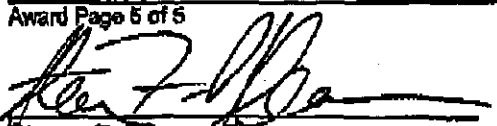
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Award Page 5 of 5


Steven F. Pinaum, Esq.
Public Arbitrator

11/16/05
Signature Date

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NASD Dispute Resolution
Arbitration 03-02273
Award Page 5 of 5

Steven F. Pflaum, Esq.
Public Arbitrator



Ronald C. Peters, CPA
Non-Public Arbitrator

Signature Date

11/28/05

Signature Date

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