

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

Burton B. Sharoff

v.

03-03277
Denver, Colorado

Respondent

A.G. Edwards & Sons, Inc.

Nature of Dispute: Customer v. Member

REPRESENTATION OF PARTIES

Burton B. Sharoff ("Claimant") was represented by Jeffrey J. Scott, Esq., of Scott & Associates, P.C., Denver, Colorado.

A.G. Edwards & Sons, Inc. ("Respondent") was represented by M. Jane Matoesian, Esq., of A.G. Edwards & Sons, Inc., St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about May 2, 2003. Submission Agreement of Claimant was signed on or about April 30, 2003.

A Statement of Answer was filed by Respondent A.G. Edwards & Sons, Inc. on or about June 27, 2003. Submission Agreement of Respondent A.G. Edwards & Sons, Inc. was signed on or about July 22, 2003.

Respondent filed a Motion For More Definite Statement of Claim on or about June 27, 2003. Claimant filed a Response to Respondent's Motion For More Definite Statement of Claim on or about August 1, 2003. Claimant filed a Supplement to his Motion For More Definite Statement of Claim on or about November 3, 2003.

CASE SUMMARY

Claimant asserted causes of action including the following: respondeat superior, breach of NASD Conduct Rules, unsuitable recommendations, improper margin call, suitability, breach of duty of good faith and fair dealing, breach of contract, negligent misrepresentation, negligence and breach of fiduciary duty. The causes of action related to Claimant's allegation that he was overly concentrated in Qualcomm, Inc. common stock ("QCOM"). Claimant asserted that Respondent failed to

implement a hedging strategy that could have protected his capital and limit his losses once these holdings declined in value.

Respondent denied the allegations set forth in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; Claimant failed to act promptly and with due diligence to mitigate his damages after he knew or should have known of the alleged acts of which Claimant complains and as such is barred from recovering such damages; Claimant has waived and/or is estopped from asserting claims against Respondent by virtue of his conduct and dealings with Respondent; Claimant's claims are barred by the applicable statutes of limitations; and any damages suffered in Claimant's account were caused, by unforeseeable market factors and conditions affecting the value of securities in Claimant's account for which Respondent is not liable or responsible.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested unspecified damages, plus interest, treble damages, punitive damages, attorney's fees, costs and any other relief the Panel deemed just and equitable.

Respondent requested that the claims asserted against it be denied in their entirety and it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

At the conclusion of Claimant's case in chief, Respondent made an oral Motion to Dismiss. After an executive decision the Panel deferred ruling on this Motion. After Respondent finished its case in chief, the Panel granted Respondent's Motion and dismissed all claims asserted by Claimants w/ prejudice.

To the extent that the Panel has not yet ruled on any Motion, it is hereby denied with prejudice.

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 originals remain on file with NASD Dispute Resolution ("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. Claimant's claims, each and all, are hereby denied and dismissed with prejudice;

2. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto, including punitive damages, are denied with prejudice; and
3. 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.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 250

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, the member firm is A.G. Edwards & Sons, Inc.

Member surcharge	= \$ 1,500
Pre-hearing process fee	= \$ 750
Hearing process fee	= \$ 2,200

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:

Two (2) Pre-hearing sessions with Panel x \$ 1,000 = \$ 2,000

Pre-hearing conference:	11/24/2003	1 session
	01/30/2003	1 session

Seven (7) Hearing sessions with Panel x \$ 1,000 = \$ 7,000

Hearing Dates:	02/24/2004	2 sessions
	02/25/2004	2 sessions
	02/26/2004	2 sessions
	02/27/2004	1 session

Total Forum Fees = \$ 9,000

The Arbitration Panel has assessed \$ 4,500 of the forum fees to Burton B. Sharoff

The Arbitration Panel has assessed \$ 4,500 of the forum fees jointly and severally to A.G. Edwards & Sons, Inc.

Fee Summary

Claimant, Burton B. Sharoff, is liable for:

Initial Filing Fee	= \$ 250
<u>Forum Fees</u>	<u>= \$ 4,500</u>
Total Fees	= \$ 4,750
<u>Less payments</u>	<u>= \$ 1,250</u>
Balance Due NASD Dispute Resolution	= \$ 3,500

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

Member Fees	= \$ 4,450
<u>Forum Fees</u>	<u>= \$ 4,500</u>
Total Fees	= \$ 8,950
<u>Less payments</u>	<u>= \$ 4,450</u>
Balance Due NASD Dispute Resolution	= \$ 4,500

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

ARBITRATION PANEL

Robert D. Greenlee - Public Arbitrator, Presiding Chair
Berwyn Davies - Public Arbitrator
Leon C. Tupy- Non-Public Arbitrator

Concurring Arbitrators:

Robert D. Greenlee
Public Arbitrator, Presiding Chair

Signature Date

Berwyn Davies
Public Arbitrator

Signature Date

Leon C. Tupy
Non-Public Arbitrator


Signature Date

2/11/04
Date of Service (NASD use only)

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Robert D. Greenlee
Public Arbitrator, Presiding Chair

3-9-04
Signature Date

Berwyn Davies
Public Arbitrator

Signature Date

Leon C. Tupy
Non-Public Arbitrator

Signature Date

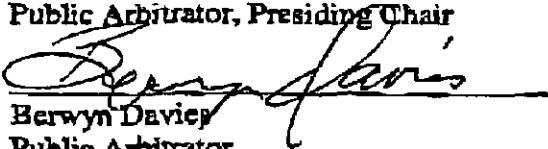
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Berwyn Davies
Public Arbitrator

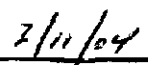
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Leon C. Tupy
Non-Public Arbitrator

Signature Date



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Berwyn Davies
Public Arbitrator

Signature Date

Leon C. Tupy

Leon C. Tupy
Non-Public Arbitrator

3-8-04

Signature Date

2/11/04

Date of Service (NASD use only)