
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Frank Leatherwood

Case Number: 03-04924

Names of the Respondents
A.G. Edwards & Sons, Inc.
Kelley Sims

Hearing Site: Memphis, TN

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

REPRESENTATION OF PARTIES

For Frank Leatherwood, hereinafter referred to as "Claimant": Saul C. Belz, Esq. and Jeremy G. Alpert, Esq., Glankler Brown, PLLC, Memphis, TN.

For A.G. Edwards & Sons, Inc. ("AGE") and Kelley Sims ("Sims"), hereinafter collectively referred to as "Respondents": Matthew Salamon, Litigation Counsel, AGE, St. Louis, MO.

CASE INFORMATION

Statement of Claim filed on or about: July 3, 2003.

Claimant signed the Uniform Submission Agreement: September 12, 2003.

Respondents' Answer and Motion for More Definite Statement filed on or about: November 28, 2003.

Respondent AGE signed the Uniform Submission Agreement: November 26, 2003.

Respondent Sims signed the Uniform Submission Agreement: October 23, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of duty of fair dealing; breach of the duty of loyalty; breach of obligation of disclosure; breach of duty to make suitable investments; breach of duty of supervisory responsibility and duty of good faith; churning; unsuitability; misrepresentation; negligence; malpractice; fraud; breach of contract; breach of federal securities laws; breach of Arkansas securities laws; and, violations of the Tennessee Consumer Protection Act and the Tennessee Securities Act of 1980. The causes of action relate to the purchase of unspecified securities products in Claimant's account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages of \$745,000.00, additional damages representing what Claimant's account should have earned, punitive damages, treble damages, attorneys' fees,

costs, and all other relief afforded to Claimant under the circumstances.

Respondents requested dismissal of the Statement of Claim, costs, attorneys' fees, and expungement of all references to the above-captioned arbitration from the NASD Central Registration Depository ("CRD") permanent records of Respondent Sims.

OTHER ISSUES CONSIDERED AND DECIDED

On or about April 19, 2004, the undersigned arbitrators (the "Panel") issued an order which denied Respondents' Motion for More Definite Statement.

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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent AGE is liable and shall pay to Claimant compensatory damages in the sum of \$314,111.00, pre-judgment interest specifically excluded.

Respondent AGE is liable and shall pay to Claimant the sum of \$500.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Claimant's claims against Respondent Sims are dismissed, with prejudice.

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive and treble damages and Respondents' request for expungement, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent AGE is a member firm and a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

March 9-11, 2005, adjournment by the Claimant. The adjournment fee was waived by the Panel.

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:

No three-day cancellation fees were assessed during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

One (1) Pre-hearing session with the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference: May 7, 2004 1 session	
Eight (8) Hearing sessions @ \$1,200.00/session	= \$9,600.00
Hearing Dates: June 29, 2005 2 sessions	
June 30, 2005 2 sessions	
November 15, 2005 2 sessions	
November 16, 2005 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$10,800.00

The Panel has assessed the total forum fees of \$10,800.00 to Respondent AGE.

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.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 500.00
<u>Total Fees</u>	= \$ 500.00
<u>Less payments</u>	= \$ 500.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent AGE is solely liable for:

Forum Fees	= \$10,800.00
<u>Member Fees</u>	= \$ 8,550.00
<u>Total Fees</u>	= \$19,350.00
<u>Less payments</u>	= \$ 9,150.00
Balance Due NASD Dispute Resolution	= \$10,200.00

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

ARBITRATION PANEL

Prince C. Chambliss, Jr., JD	-	Public Arbitrator, Presiding Chairperson
Linda Cox Allen	-	Public Arbitrator
John Thomas Deutsch	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

11/23/05

Prince C. Chambliss, Jr., JD
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

11/23/05

Linda Cox Allen
Public Arbitrator

Signature Date

/s/

11/23/05

John Thomas Deutsch
Non-Public Arbitrator

Signature Date

November 25, 2005

Date of Service (For NASD Dispute Resolution use only)

Nov. 22. 2005 10:13PM

No. 0050 P. 5/5

NASD Dispute Resolution

Arbitration No. 03-04924

Award Page 4 of 4Fee Summary

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Public Arbitrator, Presiding Chairperson

Signature Date

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Public Arbitrator

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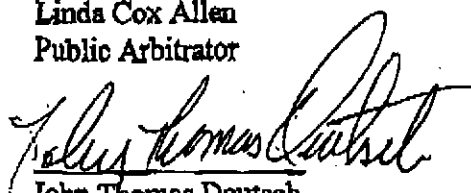
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