

**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Anthony and Andrea Apruzzese, Anthony Apruzzese IRA, Andrea Apruzzese IRA, Andrea V. Apruzzese c/f Laura Apruzzese, and Anthony Apruzzese c/f Laura Apruzzese (Claimants) v. A.G. Edwards & Sons, Inc., James J. Coughlin, and Randall G. Ferraro (Respondents)

Case Number: 03-05228

Hearing Site: New York, New York

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Nature of the Dispute: Customers v. Member and Associated Persons.

**REPRESENTATION OF PARTIES**

Claimants Anthony and Andrea Apruzzese ("The Apruzzeses"), Anthony Apruzzese IRA ("Anthony Apruzzese IRA"), Andrea Apruzzese IRA ("Andrea Apruzzese IRA"), Andrea V. Apruzzese c/f Laura Apruzzese ("Andrea Apruzzese c/f L. Apruzzese), and Anthony Apruzzese c/f Laura Apruzzese ("Anthony Apruzzese c/f L. Apruzzese") hereinafter collectively referred to as "Claimants": Chad N. Cagan, Esq., Sonnenblich, Parker & Selvers, P.C., Freehold, NJ.

Respondent A.G. Edwards & Sons, Inc. ("A.G. Edwards"): Michael Naccarato, Esq., A.G. Edwards & Sons, Inc., St. Louis, MO.

Respondent James J. Coughlin ("Coughlin"): Christine Lazaro, Esq., Davidson & Grannum, LLP, Orangeburg, NY. Previously represented by: Michael Naccarato, Esq., A.G. Edwards & Sons, Inc., St. Louis, MO.

Respondent Randall G. Ferraro ("Ferraro"): Michael Naccarato, Esq., A.G. Edwards & Sons, Inc., St. Louis, MO. Previously represented by: Virginia K. Sourlis, Esq., Red Bank, NJ.

A.G. Edwards, Coughlin, and Ferraro are hereinafter collectively referred to as "Respondents".

**CASE INFORMATION**

Statement of Claim filed on or about: July 16, 2003.

Claimants signed the Uniform Submission Agreement: July 7, 2003.

Joint Statement of Answer filed by Respondents on or about: September 10, 2003.

Supplement to Answer filed by Respondent Ferraro on or about: April 1, 2004.

Respondent A.G. Edwards signed the Uniform Submission Agreement: September 10, 2003.

Respondent Coughlin signed the Uniform Submission Agreement: August 7, 2003.

Respondent Ferraro signed the Uniform Submission Agreement: March 23, 2004

### **CASE SUMMARY**

Claimants asserted the following causes of action: breach of fiduciary duty; unsuitability; misrepresentations; churning; fraud; negligence; failure to supervise; breach of contract; violation of securities laws and self regulatory rule violations; violation of New Jersey Securities Act; respondeat superior; control person liability; aiding and abetting; and failure to supervise. The causes of action relate to unspecified securities.

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

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$117,000.00; market adjusted damages; punitive damages; pre-judgment and post-judgment interest at the maximum rate allowed by law; attorneys' fees and costs; and such other relief as the Panel may deem equitable, just, and necessary.

Respondents requested an order dismissing all claims with prejudice; costs and expenses; expungement of Respondent Coughlin's CRD records; and such other relief as the Arbitrators deem appropriate.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On or about August 18, 2004, NASD Dispute Resolution was notified that the parties settled this matter and have executed a Settlement Agreement and Release.

On or about October 1, 2004, the parties submitted Claimants' Motion to Dismiss and a Motion for Recommendation of Expungement of Record Upon Dismissal of Case for the Panel's approval. These documents are annexed respectively as Exhibits "A" and "B".

On April 22, 2005, the Panel held a telephonic conference with counsel for the Parties, at which time Coughlin's request for expungement was granted. Fees associated with the April 22, 2005 conference call are to be assessed against Respondents.

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**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, upon motion of the Parties for an entry of an award, the written stipulation thereto, the Panel grants the

motion and enters this award granting the following relief:

1. Claimants' claims against Respondents are hereby dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent James J. Coughlin'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 Coughlin must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. Any and all relief not specifically addressed herein is denied with prejudice.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$300.00
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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 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.

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 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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$2,250.00
Pre-hearing conference: February 19, 2004 1 session	
April 22, 2005 1 session	
<u>Total Forum Fees</u>	<u>= \$2,250.00</u>

1. Claimants, jointly and severally, are assessed \$562.50 of the forum fees.

2. Respondents, jointly and severally, are assessed \$1687.50 of the forum fees.

**Fee Summary**

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$1,125.00</u>
Total Fees	= \$1,425.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

*Pursuant to Rule 10332(f) of the NASD Code of Arbitration Procedure, NASD is retaining the total amount of the hearing session deposited by the Claimant because this office was notified by the parties that they settled within eight business days of the first scheduled hearing.*

2. Respondent A.G. Edwards is solely liable for:

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

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$1,687.50</u>
Total Fees	= \$1,687.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$1,687.50

All balances are due and payable to NASD Dispute Resolution

**IN ARBITRATION BEFORE**  
**NASD DISPUTE RESOLUTION, INC.**



ANTHONY APRUZZESE and  
ANDREA APRUZZESE,

Claimants,

v.

A.G. EDWARDS & SONS, INC.,  
JAMES J. COUGHLIN and  
RANDALL G. FERRARO,

Respondents.

NASD-DR Case No. 03-05228

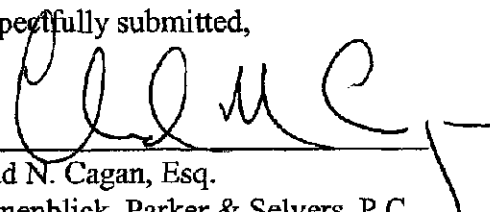
**CLAIMANTS' MOTION TO DISMISS**

Come now Claimants Anthony and Andrea Apruzzese and for their Motion to Dismiss state that the parties to the above-styled cause have reached agreement on settlement terms.

WHEREFORE, Claimants respectfully request that this matter be dismissed with prejudice from arbitration proceedings and be removed from the docket of the NASD Dispute Resolution, Inc.

9/2/04  
Date

Respectfully submitted,

  
Chad N. Cagan, Esq.  
Sonnenblick, Parker & Selvers, P.C.  
4400 Route 9 South  
Freehold, NJ 07728  
732-431-1234  
Counsel for Claimants

**CERTIFICATE OF SERVICE**

This is to certify that the original of the foregoing Claimants' Motion to Dismiss was sent via First Class U.S. Mail, postage prepaid, this \_\_\_\_ day of \_\_\_\_\_, 2004 to Bola Aguda, Esq., Staff Attorney, NASD Dispute Resolution, Inc., One Liberty Plaza, 165 Broadway, 27th Floor, New York, New York 10006, with a copy of same via First Class U.S. Mail, postage prepaid, to Michael Naccarato, Esq., A.G. Edwards & Sons, Inc., One North Jefferson Avenue, St. Louis, MO 63103.



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In the Matter of the Arbitration Between

Anthony Apruzzese and Andrea Apruzzese,

Claimants

Case No. 03-05228

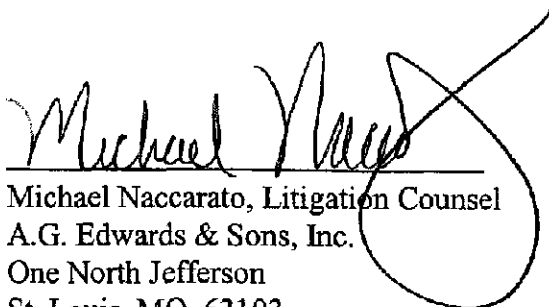
A.G. Edwards & Sons, Inc.,  
James J. Coughlin and Randall G. Ferraro

Respondents

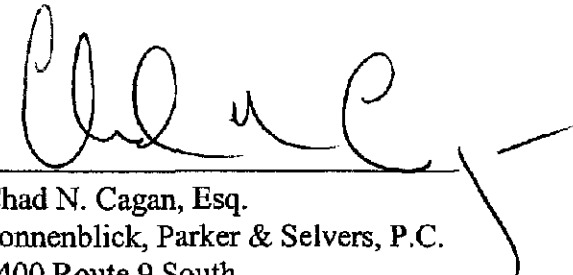
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**MOTION FOR RECOMMENDATION OF EXPUNGEMENT OF RECORD  
UPON DISMISSAL OF CASE**


Come now Claimants and Respondents in the above-referenced matter, concurrent with the dismissal of the above-referenced case as provided by Claimants in separate writing, and move herein for a stipulated award from the panel regarding the issue of expungement of record of Respondent James J. Coughlin only. The parties herein request that the panel execute an award recommending the expungement of all reference to the above-captioned arbitration from Respondent James J. Coughlin's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent James J. Coughlin must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive, and that the record in question will not be deleted with respect to access by any member firm or the duly recognized investigative authority of any self-regulating organization of which Respondent A.G. Edwards is a member.



Michael Naccarato, Litigation Counsel  
A.G. Edwards & Sons, Inc.  
One North Jefferson  
St. Louis, MO 63103  
(314) 955-3802  
Counsel for Respondents



Chad N. Cagan, Esq.  
Sonnenblick, Parker & Selvers, P.C.  
4400 Route 9 South  
Freehold, NJ 07728  
732-431-1234  
Counsel for Claimants



Anthony Apruzzese




Andrea Apruzzese

Parties' Signatures

  
Anthony Apruzzese  
Claimant


5/11/05  
Signature Date

  
Andrea Apruzzese  
Claimant


5/11/05  
Signature Date

  
Anthony Apruzzese IRA  
Claimant

5/11/05  
Signature Date

  
Andrea Apruzzese IRA  
Claimant

5/11/05  
Signature Date

  
Andrea Apruzzese c/f Laura Apruzzese  
Claimant

5/11/05  
Signature Date

  
Anthony Apruzzese c/f Laura Apruzzese  
Claimant

5/11/05  
Signature Date

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A.G. Edwards & Sons, Inc.  
Respondent

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Signature Date

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James J. Coughlin  
Respondent

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Randall G. Ferraro  
Respondent

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Signature Date



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Claimant

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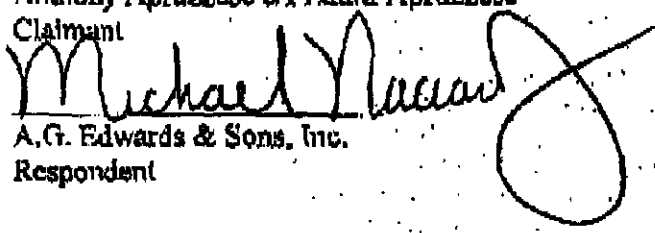
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Respondent

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A.G. Edwards & Sons, Inc.  
Respondent

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Signature Date

  
James J. Coughlin by Christine Lozano, Esq.  
Respondent

  
5/16/05  
Signature Date

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Randall G. Ferraro  
Respondent

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Signature Date

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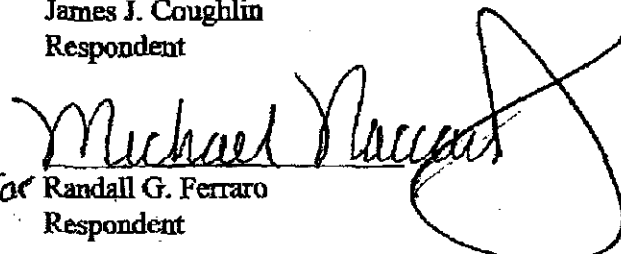
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Randall G. Ferraro  
Respondent

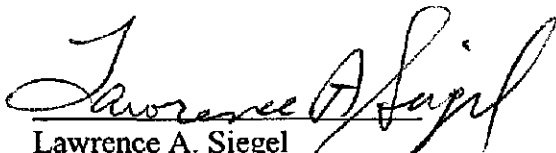
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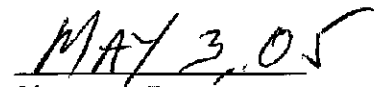
**ARBITRATION PANEL**

Lawrence A. Siegel	-	Public Arbitrator, Presiding Chair
Max Steinmetz, Esq.	-	Public Arbitrator
R. Keith Butterfield	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.

  
Lawrence A. Siegel  
Public Arbitrator, Presiding Chair

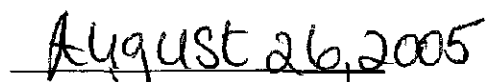
  
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Public Arbitrator

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Signature Date

\_\_\_\_\_  
R. Keith Butterfield  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

  
Date of Service (For NASD office use only)

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Max Steinmetz, Esq.	-	Public Arbitrator
R. Keith Butterfield	-	Non-Public Arbitrator

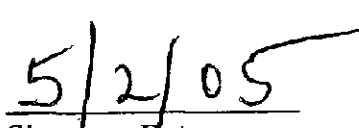
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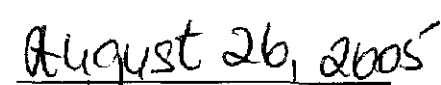
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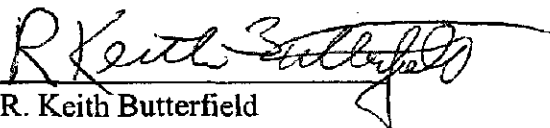
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Max Steinmetz, Esq.  
Public Arbitrator

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Signature Date

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R. Keith Butterfield  
Non-Public Arbitrator

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5/2/2005  
Signature Date

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August 26, 2005  
Date of Service (For NASD office use only)