

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Shirley Jean Lawrence

and

03-05421
Phoenix, Arizona

Name of Respondents

A.G. Edwards & Sons, Inc.
Robert Harold Kennedy

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

REPRESENTATION OF PARTIES

Shirley Jean Lawrence ("**Claimant**") was represented by Michael Salcido, Esq., Renaud Cook Drury Mesaros PA, Phoenix, Arizona.

A.G. Edwards & Sons, Inc. ("**Respondent AG Edwards**") and Robert Harold Kennedy ("**Respondent Kennedy**") (collectively as "**Respondents**") were represented by Jeffrey W. Coverdell, Esq., A.G. Edwards & Sons, Inc., St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about July 24, 2003. Submission Agreement of Claimant Shirley Jean Lawrence was signed on July 22, 2003

Statement of Answer was filed by Respondents A.G. Edwards & Sons, Inc. and Robert Harold Kennedy on or about September 22, 2003. Submission Agreement of Respondent A.G. Edwards & Sons, Inc. was signed on August 4, 2003. Submission Agreement of Respondent Robert Harold Kennedy was signed on August 12, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: lack of suitability, negligence and failure to supervise. The causes of action relate to defined portfolios and a mutual fund.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted the following defenses: The alleged damages which

Claimant has alleged to have suffered were caused, if at all, by unforeseeable market factors and conditions affecting the value of securities in her accounts for which Respondents are neither liable nor responsible; Claimant authorized the alleged conduct which occurred in connection with her accounts with Respondent about which she now complains; Claimant failed to act promptly and with due diligence to mitigate her damages; Claimant has waived and/or is estopped from asserting her claims against Respondent by virtue of her conduct and dealings with Respondent; Claimant ratified the alleged conduct about which she complains; Claimant's claims are barred in full or in part by applicable statutes of limitation; Claimant is barred from any recovery for any of the alleged conduct of Edwards by the doctrine of laches; Claimant's claims are barred in full or in part by her assumption of the risks; Claimant failed to object or notify Edwards of the acts and omissions of which Claimant complains after receipt of written confirmations, account statements and other documents evidencing or setting forth transactions in Claimant's account; by failing to exercise the degree of care over her affairs and investments which ordinarily a prudent investor would exercise, Claimant caused or contributed to cause the alleged damages of which Claimant complains herein and is thus barred by her contributory negligence from recovering such alleged damages from Respondents; Respondents were not negligent, however, if they are found to be negligent in any respect, Claimant's negligence was equal to or greater than any negligence on the part of any of the Respondents, and for this reason, Claimant's claims must be dismissed or reduced under the doctrines of contributory negligence, comparative fault or comparative negligence in accordance with applicable law.

RELIEF REQUESTED

Claimant requested an award in the amount of \$93,140.00, unspecified punitive damages, interest, attorneys' fees and costs.

Respondents requested dismissal of the Statement of Claim in its entirety, their costs in the matter and expungement of the claim from Mr. Kennedy's CRD record.

OTHER ISSUES CONSIDERED & DECIDED

The parties advised NASD Dispute Resolution that they entered into an agreement to settle this matter on certain terms and conditions set forth in a confidential settlement agreement.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies. 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 and the stipulation of the parties, but without making any findings of fact or conclusions of law, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination and find as follows:

1. The Claimant has dismissed all claims with prejudice against Respondents.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Robert Harold Kennedy'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 Robert Harold Kennedy 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	<u>\$ 1,700.00</u>

Total Member Fees \$ 3,550.00

Adjournment Fees

Adjournments requested during these proceedings:

Hearing Date(s) August 25-27, 2004, adjournment requested by parties = \$750.00

Fee Summary

Claimants, Shirley Jean Lawrence shall be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$	225.00
Adjournment Fee	= \$	250.00
Total Fees	= \$	475.00
<u>Less payments</u>	= \$	-975.00
Balance refunded by NASD Dispute Resolution	= \$	- 500.00

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

Member Fees	= \$	3,550.00
Adjournment Fee	= \$	250.00
Total Fees	= \$	3,800.00
<u>Less payments</u>	= \$	-3,800.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent, Robert Harold Kennedy, shall be and hereby is liable for:

Adjournment Fee	= \$	250.00
Total Fees	= \$	250.00
<u>Less payments</u>	= \$	-250.00
Balance Due NASD Dispute Resolution	= \$	0.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Eugene W. Bronski, Esq. - Public Arbitrator, Presiding Chair
Beryl I. Dulsky, Esq. - Public Arbitrator
Douglas E. McArthur - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Eugene W. Bronski

Eugene W. Bronski, Esq.
Public Arbitrator, Presiding Chair

February 9, 2005

Signature Date

/s/ Beryl I. Dulskey

Beryl I. Dulskey, Esq.
Public Arbitrator

February 9, 2005

Signature Date

/s/ Douglas E. McArthur

Douglas E. McArthur
Non-Public Arbitrator

February 14, 2005

Signature Date

2/14/05
Date of Service (For NASD office use only)

FROM : GENE BRONSKI
02/08/2005 10 29 FAX

FAX NO. : 6025041841
NASD

Feb. 09 2005 07:11PM P6
006/008

NASD Dispute Resolution
Arbitration No. 03-05421
Stipulated Award Page 5 of 5

Concurring Arbitrators:

Eugene W. Bronski
Eugene W. Bronski, Esq.
Public Arbitrator, Presiding Chair

2-9-05
Signature Date

Beryl I. Dulsky, Esq.
Public Arbitrator

Signature Date

Douglas E. McArthur
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 03-05421
Stipulated Award Page 5 of 5

Concurring Arbitrators:

Eugene W. Bronski, Esq.
Public Arbitrator, Presiding Chair


Beryl I. Dujak, Esq.
Public Arbitrator

Signature Date

2/19/05
Signature Date

Douglas E. McArthur
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 03-05421
Stipulated Award Page 5 of 5

Concurring Arbitrators:

Eugene W. Bronaki, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Beryl I. Dulsky, Esq.
Public Arbitrator

Signature Date

Douglas E. McArthur
Douglas E. McArthur
Non-Public Arbitrator

2/14/05
Signature Date

Date of Service (For NASD office use only)