

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

H. Craig Mallder, H. Craig Mallder Revocable Trust, H. Craig Mallder IRA, Dorothy T. Mallder,
and Dorothy T. Mallder Revocable Trust, Claimants v. A.G. Edwards & Sons, Inc., Respondent

Case Number: 03-05682

Hearing Site: Salt Lake City, Utah

Nature of the Dispute: Customers v. Member

REPRESENTATION OF PARTIES

For Claimants:

Dennis H. Taylor, Esq.
Shepherd, Smith & Bebel
Houston, Texas

For Respondent:

William S. Port, Esq.
A.G. Edwards & Sons, Inc.
St. Louis, Missouri

CASE INFORMATION

Statement of Claim filed: August 1, 2003

Claimants' Joint Uniform Submission Agreement signed: August 14, 2003

Statement of Answer by Respondent received on: October 8, 2003

Respondent A.G. Edwards & Sons, Inc.'s Uniform Submission Agreement signed: October 6,
2003

CASE SUMMARY

In their Statement of Claim, Claimants alleged breach of contract and warranties, unfair trade and deceptive practices, violation of Federal and State Securities Laws, breach of fiduciary duty, negligent and intentional misrepresentation, respondeat superior and promissory estoppel. Claimants allegations involved investment in Mundo Net Net and Pimco Innovation Funds as well as the purchase of stock in AOL TimeWarner, Intel, Citrix Systems, Iridium LLC Senior Note, Geneva Steel, Dell Computer, and \$APP Int'l Finance Co.

Respondent denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested an amount between \$100,000.00 and \$500,000.00 in compensatory damages, unspecified punitive damages, pre- and post-judgment interest, and costs, including attorney's fees.

Respondent requested dismissal of the Claimants' Statement of Claim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent is liable and shall pay compensatory damages in the sum of \$71,022.00 to Claimant H. Craig Mallder in his capacity as trustee for the H. Craig Mallder Revocable Trust.
- 2) Respondent is liable and shall and shall pay to Claimant H. Craig Mallder interest at a rate of 4.5% per annum on the sum of \$71,022.00 from August 27, 2004, until the award is paid in full.
- 3) Respondent is liable and shall pay compensatory damages in the sum of \$133,648.00 to Claimant H. Craig Mallder in his capacity as trustee for H. Craig Mallder IRA Account.
- 4) Respondent is liable and shall and shall pay to Claimant H. Craig Mallder interest at a rate of 4.5% per annum on the sum of \$133,648.00 from August 27, 2004, until the award is paid in full.
- 5) Respondent is liable and shall pay compensatory damages in the sum of \$42,317.00 to Claimant Dorothy T. Mallder Revocable Trust.

- 6) Respondent is liable and shall pay to Claimant Dorothy T. Mallder Revocable Trust, interest at a rate of 4.5% per annum on the sum of \$42,317.00 from August 27, 2004, until this award is paid in full.
- 7) The parties shall bear their respective costs, including attorney's fees.
- 8) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm A.G. Edwards & Sons, Inc. is a party to this dispute and the following fees are assessed:

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 assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Panel @ \$1,125.00/session = \$1,125.00
Pre-hearing conference: December 19, 2003 1 session

(7) Hearing sessions @ \$1,125.00/session = \$7,875.00
Hearings: August 24, 2004 2 sessions
August 25, 2004 2 sessions
August 26, 2004 2 sessions
August 27, 2004 1 session

Total Forum Fees = \$9,000.00

The Panel assessed \$9,000.00 of the forum fees to Respondent A.G. Edwards & Sons, Inc.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Less payments</u>	= \$(1,425.00)
Refund Due Claimants	= \$(1,125.00)

2. Respondent is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	<u>= \$ 9,000.00</u>
Total Fees	= \$14,200.00
<u>Less payments</u>	<u>= \$(5,200.00)</u>
Balance Due NASD Dispute Resolution	= \$ 9,000.00

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

ARBITRATION PANEL

Nyle G. Barnes, Esq.	-	Public Arbitrator, Presiding Chair
Keith E. Mercer	-	Public Arbitrator
Bruce G. Colne, J.D.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Nyle G. Barnes, Esq.
Chair, Public Arbitrator

Sept. 4, 2004
Signature Date

Keith E. Mercer
Public Arbitrator

Signature Date

Bruce G. Colne, J.D.
Non-Public Arbitrator

Signature Date

9/7/04
Date of Service

ARBITRATION PANEL

Nyle G. Barnes, Esq.	-	Public Arbitrator, Presiding Chair
Keith E. Mercer	-	Public Arbitrator
Bruce G. Cohns, J.D.	-	Non-Public Arbitrator


Consenting Arbitrators' Signatures

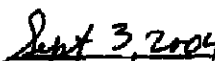
Nyle G. Barnes, Esq.
Chair, Public Arbitrator

Signature Date

Keith E. Mercer
Public Arbitrator

Signature Date


Bruce G. Cohns, J.D.
Non-Public Arbitrator


Signature Date

9/7/04
Date of Service

NASD Dispute Resolution
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ARBITRATION PANEL

Nyle G. Barnes, Esq.	-	Public Arbitrator, Presiding Chair
Keith E. Mercer	-	Public Arbitrator
Bruce G. Cohn, J.D.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Nyle G. Barnes, Esq.
Chair, Public Arbitrator

Signature Date

Keith E. Mercer
Keith E. Mercer
Public Arbitrator

9-7-04
Signature Date

Bruce G. Cohn, J.D.
Non-Public Arbitrator

Signature Date

Date of Service