
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Diane Romano

Case Number: 03-06156

Name of the Respondent
A.G. Edwards & Sons, Inc.
Frank Leloia

Hearing Site: Orlando, Florida

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

REPRESENTATION OF PARTIES

For Diane Romano, hereinafter referred to as "Claimant": Andrew V. Tramont, Esq., Rodriguez Tramont Guerra & Nunez, P.A., Coral Gables, Florida.

For A.G. Edwards & Sons, Inc. ("A.G. Edwards") and Frank Leloia ("Leloia"), hereinafter collectively referred to as "Respondents": Jeffrey W. Coverdell, Esq., A.G. Edwards & Sons, Inc., St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on or about: August 22, 2003.

Claimant signed the Uniform Submission Agreement: August 22, 2003.

Statement of Answer filed by Respondents on or about: December 17, 2003.

Respondent A.G. Edwards signed the Uniform Submission Agreement: November 4, 2003.

Respondent Leloia signed the Uniform Submission Agreement: November 11, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violation of industry rules including, but not limited to, failure to supervise and standards relating to suitability; 2) breach of contract; 3) breach of fiduciary duty; 4) negligence; 5) common law fraud; and, 6) negligent hiring, supervision and retention. The causes of action relate to the purchase of various stocks including, but not limited to, Microsoft Corporation, King Pharmaceuticals and Brocade Communications Systems, Inc., plus the use of margin trading in Claimant's account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant was aware of and authorized each transaction in her account; Claimant understood and assumed the risks inherent in the investments she authorized; Claimant failed to act promptly and with due diligence to mitigate her damages after Claimant knew or should have known of the alleged acts and omissions of which Claimant complains; Claimant has waived and/or is estoppel from asserting her claims against Respondents by virtue of her conduct and dealings with Respondents; 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 Respondents by the doctrine of laches; As a result of Claimant's failure to object of notify Respondent A.G. 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 accounts, Claimant is barred from recovering from Respondent A.G. Edwards under Claimant's Client Agreements with said Respondent and under Section 8-319 of the Uniform Commercial Code as enacted in the State of Florida; the alleged damages which Claimant alleges 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 has alleged no facts which would support a finding of fraud or misrepresentation under the law, and any such claims should be dismissed; 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 which Claimant complains herein and is thus barred by her contributory negligence from recovering such alleged damages from Respondents; Respondent was not negligent, however, if found to be negligent in any respect, Claimant's negligence was equal to or greater than any negligence on the part of 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; Claimant has failed to allege a factual or legal basis for an award of attorney's fees or punitive damages and to the extent she seeks such relief, the claims must be dismissed.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$250,000.00, interest at the legal rate from the date of purchase or reasonable market return, rescission, attorney's fees in an amount to be determined by a court of competent jurisdiction, punitive damages in the amount of \$500,000.00, costs and such other and further relief as this Panel deemed just and proper.

Respondents requested that the Statement of Claim be dismissed in its entirety, an award of costs and such further relief as this Panel deemed appropriate. In addition, Respondents requested that the Panel enter an order expunging this matter from the NASD Central Registration Depository (the "CRD") record of Respondent Leloia.

OTHER ISSUES CONSIDERED AND DECIDED

On or about September 13, 2005, the parties notified NASD Dispute Resolution that they had settled this matter.

On or about September 26, 2005, the parties submitted to NASD Dispute Resolution a Joint Motion to Approve Stipulated Award and a proposed Stipulated Award with a request for expungement of the NASD CRD record of Respondent Leloia.

The parties have agreed that the Stipulated Award in this matter may be entered in counterpart copies or that a signed handwritten Stipulated Award may be entered.

AWARD

After considering the pleadings, the Joint Motion to Approve Stipulated Award and the proposed Stipulated Award with request for expungement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The parties have entered into a confidential settlement agreement.
2. Claimant has dismissed all claims, with prejudice, against Respondents.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Leloia's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Leloia must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive
4. Any and all claims for relief not specifically addressed herein, including Claimant's requests for punitive damages and attorney's fees, 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	= \$375.00
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The Panel has waived the filing fee in this matter.

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. Accordingly, Respondent A.G. Edwards is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$4,000.00</u>
Total Member Fees	= \$7,000.00

Adjournment Fees

No requests for adjournments were filed in this matter for which fees were assessed.

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 cancellation fees were assessed in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with the Panel @ \$1,200.00	= \$2,400.00
Pre-hearing conferences: April 2, 2004 1 session	
November 23, 2004 1 session	
Total Forum Fees	= \$2,400.00

The Panel has assessed \$600.00 of the forum fees to Claimant.

The Panel has assessed \$600.00 of the forum fees jointly and severally to Respondents.

The Panel has waived \$1,200.00 of the forum fees.

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:

Forum Fees	= \$ 600.00
<u>Retained hearing session deposit</u>	= \$ 600.00
Total Fees	= \$ 1,200.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

Respondent A.G. Edwards is solely liable for:

<u>Member Fees</u>	= \$ 7,000.00
Total Fees	= \$ 7,000.00
<u>Less payments</u>	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 600.00
Total Fees	= \$ 600.00

<u>Less payments</u>	= \$	<u>0.00</u>
Balance Due NASD Dispute Resolution	= \$	600.00

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

ARBITRATION PANEL

<i>Gary E. Marcus</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Thomas K. Goldie</i>	-	<i>Public Arbitrator</i>
<i>E. Stephen Walsh, Esq.</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Gary E. Marcus
Public Arbitrator, Presiding Chairperson

10/15/05
Signature Date

/s/
Thomas K. Goldie
Public Arbitrator

10/06/05
Signature Date

/s/
E. Stephen Walsh, Esq.
Non-Public Arbitrator

10/12/05
Signature Date

10/17/05
Date of Service (For NASD Dispute Resolution office use only)

FROM : GARY E. MARCUS PA

FROM : NASD

Oct. 06 2005

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Signature Date

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Public Arbitrator

10/6/05
Signature Date

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Non-Public Arbitrator

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