

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Linda Cruz, Claimant v. A.G. Edwards & Sons, Inc., Tiffany A. DeRuosi, and Rahamin
Suarez, Respondents

Case Number: 03-06308

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

William B. Young, Esq.
Colling, Gilbert, Wright & Carter
Maitland, Florida

For Respondents A.G. Edwards & Sons, Inc.
and Rahamin Suarez:

David Minnick, Esq.
Dennis J. Capriglione, Esq.
A.G. Edwards & Sons, Inc.
St. Louis, Missouri

For Respondent Tiffany A. DeRuosi:

Tiffany A. DeRuosi
In Propria Persona
Newport Beach, California

CASE INFORMATION

Statement of Claim filed: September 2, 2003

Claimant's Uniform Submission Agreement signed: June 17, 2003

Joint Statement of Answer filed by Respondents: October 28, 2003

Respondent Rahamin Suarez' Uniform Submission Agreement signed:
September 12, 2003

CASE SUMMARY

Claimant alleged unsuitability, breach of contract, breach of fiduciary duty, violation of Section 10(b) and Rule 10(b)(5) of the Securities Exchange Act, common law fraud, violations of SRO rules, negligence, and failure to supervise. Claimant's claims involved mutual funds, including a Putnam Technology Fund, Emerging Growth Fund, International Growth Fund, and Voyager Fund.

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

RELIEF REQUESTED

Claimant requested \$81,636.97 in compensatory damages, unspecified punitive damages, interest, disgorgement of all commissions and fees, and costs, including attorney's fees.

Respondents requested dismissal of Claimant's Statement of Claim in its entirety, expungement of all reference to the above captioned arbitration from Respondents Tiffany A. DeRuosi and Rahamin Suares' registration records maintained by the NASD Central Registration Depository ("CRD"), and costs.

PARTIES' STIPULATED CASE SUMMARY

On or about June 17, 2003, Linda Cruz filed her Statement of Claim in arbitration before the NASD-DR against A.G. Edwards & Sons, Inc., Tiffany A. DeRuosi, and Rahamin Suares. She alleges, among other things, claims of unsuitability, breach of contract and failure to supervise. Claimant alleged damages of \$81,636.97 arising from mutual fund investments made in August 1999 and thereafter, plus disgorgement of commissions, interest, punitive damages, costs of arbitration and attorney's fees.

Linda Cruz alleged that Respondents recommended securities which were unsuitable for her based upon her investment objectives by recommending a portfolio of high-risk equity mutual funds.

Respondents answered that Claimant was suitable for the recommendations made to her at the time, that she elected to participate in an early retirement program offered by SBC, and was fully aware of the risks she was taking. Respondents also denied all claims and asserted the following affirmative defenses, among others:

1. To the extent the Statement of Claim alleges a violation of the rules of National Association of Securities Dealers, Inc., the New York Stock Exchange, Inc. or any other self-regulatory organization, the claim failed to state a claim for relief as there was no private cause of action for the violation of such rules or regulations.
2. Claimant at all times retained authority for all transactions in her account. Her accounts with Respondents were non-discretionary, and under Leib vs. Merrill Lynch, 461 F.Supp. 951 (E. D. Mich. 1978), aff'd. 647 F.2d 165 (6th Cir. 1981), Respondents satisfied all legal obligations owed to Claimant.
3. As a result of Claimant's failure to notify the Respondents of the alleged acts and omissions of which she complained promptly after receipt of written confirmations, monthly statements and other documents evidencing or setting forth transactions in her account, and, in any event, promptly after Claimant discovered or reasonably should have discovered the alleged acts or omissions, Claimant was barred from recovering under the doctrines of ratification, accounts stated, estoppel, waiver and laches because Respondents relied upon Claimant's silence and inaction.
4. Claimant's claims were barred in full or in part by applicable statutes of limitation.
5. As a result of Claimant's failure to notify the Respondents of the alleged acts and omissions of which she complains promptly after receipt of written confirmations, monthly statements and other documents evidencing or setting forth transactions in her account, and, in any event, promptly after Claimant discovered or reasonably should have discovered the alleged acts or omissions, the Claimant was barred from recovering under the doctrines of ratification, accounts stated, estoppel, waiver and laches because Respondents relied upon Claimant's silence and inaction.
6. Claimant's claims were barred in full or in part by applicable statutes of limitation.
7. Claimant failed to act promptly and with due diligence to mitigate her damages after she knew or should have known of the alleged acts and omissions of which she complains. To the extent Claimant alleges damages

were sustained after such time, she is barred from recovering any such damages.

8. Claimant's alleged damages which she had alleged to have suffered were caused, if at all, by unforeseeable market factors and conditions affecting the value of securities in her account for which Respondents are neither liable nor responsible.
9. Claimant's claims alleging common law fraud and intentional misrepresentations are not supported by law, nor has Claimant alleged facts with sufficient particularity to support a cause of action. For these reasons, the Statement of Claim failed to state a cause of action, and Claimant is not entitled to any recovery as alleged in the Statement of Claim.
10. The Claimant was aware from the outset of the risks of profit and loss associated with investing in securities and voluntarily assumed such risk. The Claimant's knowing and voluntary assumption of such risk was a sole and proximate cause of her alleged damages and for these reasons her claim was barred.
11. 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 comparative fault or comparative negligence in accordance with applicable law.
12. On or about February 19, 2004, Claimant dismissed Rahamin Soares as a Respondent without prejudice. Respondent Rahamin Soares in any case seeks to have his good name cleared by an order of expungement by the panel.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents A.G. Edwards & Sons, Inc. and Tiffany A. DeRuosi did not file with NASD Dispute Resolution a properly executed submission agreement, but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

On February 19, 2004, Claimant dismissed Respondent Rahamin Soares without prejudice.

On July 8, 2004, Claimant advised NASD Dispute Resolution that the parties had reached a settlement in this matter.

On July 9, 2004, the parties filed a request for a Stipulated Award in this matter.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Stipulated Award while the original remains on file with NASD Dispute Resolution.

AWARD

After considering the pleadings and the parties' request for this Stipulated Award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant and Respondents have entered into a confidential settlement agreement.
2. All claims against Respondent A.G. Edwards & Sons, Inc. are dismissed with prejudice.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Tiffany A. DeRuosi's registration records maintained by the CRD, with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Tiffany A. DeRuosi must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Rahamin Suares' registration records maintained by the CRD, with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Rahamin Suares must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
5. The parties shall bear their respective costs, including attorney's fees.
6. 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 | = \$ 225.00 |
|--------------------------|-------------|

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 which gave rise to the dispute, claim, or controversy. Accordingly, the member firm A.G. Edwards & Sons, Inc. is a party and the following fees are assessed:

| | |
|--------------------------------|----------------------|
| Member Surcharge | = \$ 1,100.00 |
| <u>Pre-Hearing Process Fee</u> | <u>= \$ 750.00</u> |
| Total Member Fees | = \$ 1,850.00 |

Fee Summary

1. Claimant is charged with the following fees and costs:

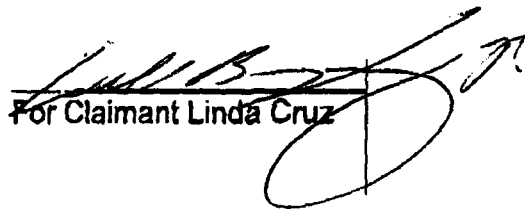
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|----------------------------|----------------------|
| Initial Filing Fee | = \$ 225.00 |
| <u>Less payments</u> | <u>= \$(975.00)</u> |
| Refund Due Claimant | = \$(750.00) |

2. Respondent A.G. Edwards & Sons, Inc. is charged with the following fees and costs:

| | |
|--|-----------------------|
| Member Fees | = \$ 1,850.00 |
| <u>Less payments</u> | <u>= \$(1,850.00)</u> |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

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.

Parties' Signatures


For Claimant Linda Cruz

12/13/06
Signature Date

For Respondents A.G. Edwards & Sons, Inc.
and Rahamin Suarez

Signature Date

For Respondent Tiffany A. DeRuosi

Signature Date

Parties' Signatures

For Claimant Linda Cruz

Signature Date



For Respondents A.G. Edwards & Sons, Inc.
and Rahamin Suares
by William Port VP

DEC 13, 2006
Signature Date

For Respondent Tiffany A. DeRuosi

Signature Date

Parties' Signatures

For Claimant Linda Cruz

Signature Date

For Respondents A.G. Edwards & Sons, Inc.
and Rahamin Suares

Signature Date

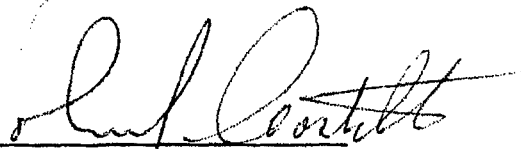

For Respondent Tiffany A. DeRuosi

12-27-06
Signature Date

ARBITRATION PANEL

| | | |
|--------------------|---|------------------------------------|
| John J. Costello | - | Public Arbitrator, Presiding Chair |
| David R. Brown | - | Public Arbitrator |
| Robert P. Clifford | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures



John J. Costello
Chair, Public Arbitrator

10 Jan 2007
Signature Date

David R. Brown
Public Arbitrator

Signature Date

Robert P. Clifford
Non-Public Arbitrator

Signature Date

1/16/07
Date of Service


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John J. Costello
Chair, Public Arbitrator

Signature Date



David R. Brown
Public Arbitrator

1/11/07

Signature Date

Robert P. Clifford
Non-Public Arbitrator

Signature Date

1/16/07

Date of Service

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John J. Costello
Chair, Public Arbitrator

Signature Date

David R. Brown
Public Arbitrator

Signature Date



Robert P. Clifford
Non-Public Arbitrator

01/11/07

Signature Date

1/16/07

Date of Service