

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

John Lambert and Heather Lambert (Claimants) vs. A.G. Edwards & Sons, Inc., and Frank M. Taylor (Respondents)

Case Number: 04-06711

Hearing Site: Newark, New Jersey

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

REPRESENTATION OF PARTIES

Claimants John Lambert ("J. Lambert") and Heather Lambert ("H. Lambert"), hereinafter collectively referred to as "Claimants": Barry R. Lax, Esq., The Lax Law Firm, New York, NY.

Respondents A.G. Edwards & Sons, Inc.; ("A.G. Edwards") and Frank M. Taylor ("Taylor"), hereinafter collectively referred to as "Respondents": William S. Port, Esq., A.G. Edwards & Sons, Inc., St. Louis, MO.

CASE INFORMATION

Statement of Claim filed on or about: September 21, 2004.

Claimant J. Lambert signed the Uniform Submission Agreement: September 16, 2004.

Claimant H. Lambert signed the Uniform Submission Agreement: September 16, 2004.

Joint Statement of Answer filed by Respondents on or about: November 11, 2004.

Respondent A.G. Edwards signed the Uniform Submission Agreement: November 11, 2004.

Respondent Taylor signed the Uniform Submission Agreement: November 10, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: securities fraud (1934 Act and Rule 10b-5); breach of fiduciary duty, common law fraud, breach of contract and legal duties, failure to supervise, "control person" liability, respondeat superior, negligence, gross negligence and negligent supervision. The causes of action relate to options, margin trading and annuities.

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

RELIEF REQUESTED

Claimants requested unspecified compensatory damages, plus commissions in an amount to be determined, interest, punitive damages, expenses, legal fees and disbursements, and for such other relief as the arbitrators deem just and proper.

Respondents requested the dismissal of the Statement of Claim in its entirety, costs associated with the defense of this matter, including reasonable attorneys' fees, and such other and further relief as the Panel may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

1. The Panel finds in favor of Respondents.
2. Respondent A.G. Edwards is liable for and shall pay to Claimants expert witness fees in the amount of \$400.00 to reimburse Claimants for the hearing delay on June 7, 2006.
3. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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	= \$ 250.00
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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. Accordingly, A.G. Edwards & Sons, Inc. is a party.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

December 6-9, 2005, adjournment by Claimants jointly and severally	= \$1,000.00
February 3, 2006 adjournment by Respondents jointly and severally	= \$1,000.00

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:

December 6-9, 2005, adjournment by Claimants jointly and severally	= \$ 300.00
February 3, 2006 adjournment by Respondents jointly and severally	= \$ 300.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: November 18, 2005 1 session	

Three (3) Pre-hearing sessions with Panel @ \$1,000.00	= \$ 3,000.00
Pre-hearing conferences: February 23, 2005 1 session	
December 9, 2005 1 session	
March 2, 2006 1 session	

Eleven (11) Hearing sessions @ \$1,000.00/session	= \$11,000.00
Hearing Dates: February 2, 2006 1 session	
April 11, 2006 2 sessions	
April 12, 2006 2 sessions	
April 13, 2006 2 sessions	
June 7, 2006 2 sessions	
June 8, 2006 2 sessions	

Total Forum Fees	= \$14,450.00
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1. The Panel has assessed \$14,450.00 of the forum fees to A.G. Edwards.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 250.00
Adjournment Fee	= \$ 1,000.00
Three-Day Cancellation Fee	= \$ 300.00
Total Fees	= \$ 1,550.00
Less payments	= \$ 1,250.00
Balance Due NASD Dispute Resolution	= \$ 300.00

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

Member Fees	= \$ 4,450.00
<u>Forum Fees</u>	<u>= \$14,450.00</u>
Total Fees	= \$18,900.00
<u>Less payments</u>	<u>= \$ 4,450.00</u>
Balance Due NASD Dispute Resolution	= \$14,450.00

3. Respondents are jointly and severally liable for:

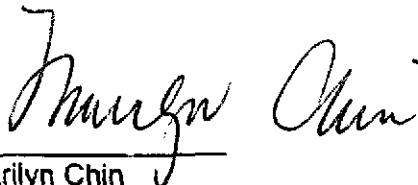
Adjournment Fee	= \$ 1,000.00
<u>Three-Day Cancellation Fee</u>	<u>= \$ 300.00</u>
Total Fees	= \$ 1,300.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 1,300.00

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

ARBITRATION PANEL

Marilyn Chin	-	Public Arbitrator, Presiding Chairperson
Lisa A. Ndiaye	-	Public Arbitrator
Jerome H. Levy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Marilyn Chin
Public Arbitrator, Presiding Chairperson

6/30/06
Signature Date

Lisa A. Ndiaye
Public Arbitrator

Signature Date

Jerome H. Levy
Non-Public Arbitrator

Signature Date

July 18, 2006
Date of Service (For NASD Dispute Resolution use only)


ARBITRATION PANEL

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Lisa A. Ndiaye	-	Public Arbitrator
Jerome H. Levy	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Marilyn Chin
Public Arbitrator, Presiding Chairperson

Signature Date



Lisa A. Ndiaye
Public Arbitrator

7/18/06

Signature Date

Jerome H. Levy
Non-Public Arbitrator

Signature Date

July 18, 2006

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