

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

1325 Wilson LLC

and

04-07006
Chicago, Illinois

Name of Respondents

A.G. Edwards & Sons, Inc.
Daniel Benninghoven, II

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

REPRESENTATION OF PARTIES

1325 Wilson LLC ("**Claimant**") was represented by Will B. Jones, Esq., Messer & Stilp, Ltd., Chicago, Illinois.

A.G. Edwards & Sons, Inc. ("**Respondent**") and Daniel Benninghoven, II ("**Respondent**") hereinafter referred to as ("**Respondents**") were represented by Brent J. Burtin, Esq., A.G. Edwards & Sons, Inc., St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about October 13, 2004. Submission Agreement of Claimant 1325 Wilson LLC was signed on September 27, 2004 by Joseph S. Messer, one of its managers.

Statement of Answer was filed by Respondents A.G. Edwards & Sons, Inc. and Daniel Benninghoven, II on or about December 29, 2004. Submission Agreement of Respondent A.G. Edwards & Sons, Inc. was signed on December 20, 2004 by Clay L. Grumke. Submission Agreement of Respondent Daniel Benninghoven, II was signed on December 28, 2004.

CASE SUMMARY

Claimant alleged that

Between February 24, 2004 and April 30, 2004 Account 724-070205-016 held by 1325Wilson LLC, ("1325 Wilson") lost over \$46,438.77 as a result of unauthorized trades made in 1325 Wilson's account by A.G. Edwards & Sons, Inc.'s ("A.G. Edwards") broker Daniel Benninghoven, II. In addition to being unauthorized, the trades also involved the purchase of speculative investment securities that were unsuitable for 1325 Wilson's investment objectives. Mr. Benninghoven failed to disclose facts in his communications with 1325 Wilson concerning the nature and characteristics of the securities purchased as well as the commissions Mr. Benninghoven and A.G. Edwards earned as a result of those trades. At all times during the relevant period, A.G. Edwards failed to properly supervise Mr. Benninghoven.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated

Claimant's Statement of Claim is a study in contradiction and missing the point. An example of a contradiction is the argument the 1325 group had no idea of the cost of the Allstate bonds or the risk involved with them. The information, however, which they provided to respondents prior to the purchase of those bonds, reveals both the cost and risk. Claimant misses the point of the concept of suitability, as the 1325 Wilson partners fail to realize suitability is only applicable when a broker suggests the particular investment. In this case, the investment was suggested by the claimant.

RELIEF REQUESTED

Claimant requested an award of monetary damages in the amount of \$46,438.77; punitive damages in the amount of \$15,000.00; reasonable costs and fees it has incurred in its pursuit of this action including, but not limited to, attorney's fees; interest on the amount of \$46,438.77 at a rate of 5% per annum as prescribed by Illinois law, for the time period from April 23, 2004 up until the date of the Arbitration panel's award, and post arbitration award interest at the rate of 9% per annum until A.G. Edwards pays the award.

Respondents requested that the claims asserted against them be dismissed in its entirety, all costs of the arbitration be assessed against Claimant, and that any mention of this matter on respondent Benninghoven's CRD record be expunged, and that both respondents be granted such other relief as the arbitrators deem appropriate.

OTHER ISSUES CONSIDERED & 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. In either case, 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, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted in this matter are hereby denied and dismissed.
2. 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.
3. 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	\$	1,700.00
Total Member Fees	\$	3,550.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session(s) with a single arbitrator	x	\$450.00	\$	450.00
June 10, 2005	1	session		
1 Pre-hearing session(s) with Panel	x	750.00	\$	750.00
March 15, 2005	1	session		
3 Hearing sessions	x	750.00	\$	2,250.00
August 25, 2005	2	sessions		
August 26, 2005	1	session		
Total Forum Fees			\$	3,450.00

The Arbitration Panel has assessed \$3,450.00 of the forum fees jointly and severally to A.G. Edwards & Sons, Inc., Daniel Benninghoven, II.

Fee Summary

Claimant, 1325 Wilson LLC, is liable for:

Initial Filing Fee	= \$	225.00
Total Fees	= \$	225.00
<u>Less payments</u>	= \$	-975.00
Balance to be refunded by NASD Dispute Resolution	= \$	- 750.00

Respondent, A.G. Edwards & Sons, Inc., is liable for:

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

Respondents, A.G. Edwards & Sons, Inc., and Daniel Benninghoven, II, are jointly and severally liable for:

<u>Forum Fees</u>	= \$	3,450.00
<u>Total Fees</u>	= \$	3,450.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	3,450.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Herbert S. Bratt, Esq. - Public Arbitrator, Presiding Chair
Lee H. Goodman - Public Arbitrator
John T. Keefe - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Herbert S. Bratt
Herbert S. Bratt, Esq.
Public Arbitrator, Presiding Chair

August 30, 2005
Signature Date

Dissenting Arbitrator:

/s/ Lee H. Goodman
Lee H. Goodman
Public Arbitrator

August 31, 2005
Signature Date

/s/ John T. Keefe
John T. Keefe
Non-Public Arbitrator

August 31, 2005
Signature Date

9/6/05
Date of Service (For NASD office use only)

08/30/2005 11:35 FAX

NASD

008/008

NASD Dispute Resolution
Arbitration No. 04-07006
Award Page 5 of 5

Respondents, A.G. Edwards & Sons, Inc., and Daniel Henninghoven, II, are jointly and severally liable for:

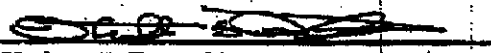
Forum Fees	= \$	3,450.00
Total Fees	= \$	3,450.00
Less payments	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	3,450.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Herbert S. Bratt, Esq. - Public Arbitrator, Presiding Chair
Lee H. Goodman - Public Arbitrator
John T. Keefe - Non-Public Arbitrator

Concurring Arbitrators:


Herbert S. Bratt, Esq.
Public Arbitrator, Presiding Chair

August 30, 2005
Signature Date

Lee H. Goodman
Public Arbitrator

Signature Date

John T. Keefe
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 04-07006
Award Page 5 of 5

Respondents, A.G. Edwards & Sons, Inc., and Daniel Benninghoven, II, are jointly and severally liable for:

<u>Forum Fees</u>	= \$	3,450.00
<u>Total Fees</u>	= \$	3,450.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	3,450.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Herbert S. Bratt, Esq. - Public Arbitrator, Presiding Chair
Lee H. Goodman - Public Arbitrator
John T. Keefe - Non-Public Arbitrator

Concurring Arbitrators:

DISSENT

Herbert S. Bratt, Esq.
Public Arbitrator, Presiding Chair

Signature Date

DISSENTING - Lee H. Goodman

8-31-05

Lee H. Goodman
Public Arbitrator

Signature Date

John T. Keefe
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Respondents, A.G. Edwards & Sons, Inc., and Daniel Benninghoven, II, are jointly and severally liable for:

<u>Forum Fees</u>	= \$	3,450.00
<u>Total Fees</u>	= \$	3,450.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	3,450.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Herbert S. Bratt, Esq. - Public Arbitrator, Presiding Chair
Lee H. Goodman - Public Arbitrator
John T. Keefe - Non-Public Arbitrator

Concurring Arbitrators:

Herbert S. Bratt, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Lee H. Goodman
Public Arbitrator

Signature Date



John T. Keefe
Non-Public Arbitrator

8/31/05

Signature Date

Date of Service (For NASD office use only)