

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Roger G. Bellehumeur
Joelle M. Bellehumeur

Case Number: 04-08365

Names of the Respondents

A. G. Edwards & Sons, Inc.
Kashner Davidson Securities, Corporation
Brian Andrew Christensen

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For Roger G. Bellehumeur and Joelle M. Bellehumeur, hereinafter collectively referred to as "Claimants": Andrew Clayton, Jr., Esq., Johnson Browning & Clayton, Sarasota, Florida.

For Respondent, A. G. Edwards & Sons, Inc. ("Respondent AGE"): Debra A. Jenks, Esq., Dobin & Jenks, LLP, Jupiter, Florida.

For Respondent Kashner Davidson Securities, Corporation ("Respondent KDSC"): Marc J. Ross, Esq., Sichenzia Ross Freidman Ference, LLP, New York, New York.

Respondent Brian Andrew Christensen appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: December 9, 2004.

Claimants signed the Uniform Submission Agreement: December 2, 2004.

Statement of Answer filed by Respondent AGE on or about: February 22, 2005.

Respondent AGE signed the Uniform Submission Agreement: February 22, 2005.

Statement of Answer filed by Respondent KDSC on or about: February 23, 2005.

Respondent KDSC signed the Uniform Submission Agreement: January 10, 2005.

Respondent Christensen did not file an Answer or Uniform Submission Agreement.

Motion to Dismiss All Claims Arising Out of Respondent Christensen and Claimants' Private Securities Transaction in ASK filed by Respondent KDSC on or about: September 30, 2005.

Response to Respondent KDSC's Motion to Dismiss filed by Claimants on or about: October 21, 2005.

Reply in Brief Support of Motion to Dismiss filed by Respondent KDSC on or about: November 4, 2005.

Motion in Joinder to Co-Respondent KDSC's Motion to Dismiss filed by Respondent AGE on or about: November 4, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: violation of the Florida Statutes, Chapter 517 (Florida Securities Act); violation of the New York Stock Exchange Rule 405 (Know Your Customer); violation of NASD Conduct Rule 2310; failure to adhere to just and equitable principles of fair trading and honest dealing; failure to supervise; breach of fiduciary duty; negligence; breach of contract; fraud; and, negligent misrepresentation. The causes of action relate to the purchase in Claimants' accounts of the following investments: All School Kids, Inc. ("ASK"); Bank of Tanglewood FBO MegasWorld, Inc.; and, Blastgard, Inc.

Unless specifically admitted in its Answer, Respondent AGE denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, Respondent KDSC denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Respondent Christensen did not delineate an Answer.

RELIEF REQUESTED

With respect to Respondents AGE and Christensen, Claimants requested compensatory and statutory damages in the amount of \$1,098,274.00; with respect to Respondent KDSC, Claimants requested compensatory and statutory damages in the amount of \$746,775.00; with respect to all Respondents, Claimants requested pre-judgment interest; unspecified exemplary damages; attorneys' fees; unspecified expectation losses; costs; and, such further relief as the Panel deemed just and equitable.

Respondent AGE requested dismissal of Claimants' claims with prejudice and such other relief deemed appropriate by the Panel.

Respondent KDSC requested that the Panel dismiss the Statement of Claim, with prejudice in its entirety, and such other and further relief as the Panel deemed just and appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Christensen appeared on the initial telephonic pre-hearing conference. However, Respondent Christensen did not appear at the evidentiary hearings conducted on February 21 – 23, 2006 and September 18 – 22, 2006. Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondent Christensen has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Christensen did not file with NASD Dispute Resolution ("NASD") a properly executed Uniform Submission Agreement but is required to submit to arbitration

pursuant to the Code, is bound by the determination of the Panel on all issues submitted.

Respondent KDSC filed with NASD a Motion to Dismiss All Claims Arising Out of Respondent Christensen and Claimants' Private Securities Transaction in ASK, to which Claimants objected. In addition, Respondent KDSC filed a Reply in Brief Support of its Motion to Dismiss and Respondent AGE filed a Motion in Joinder in Co-Respondent KDSC's Motion to Dismiss. On or about December 2, 2005, the Panel issued an Order wherein they reserved ruling on the Motion to Dismiss.

On or about January 29, 2006, Claimants advised NASD that they had settled their claims with respect to Respondent KDSC.

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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondents AGE and Christensen are jointly and severally liable. Respondents AGE and Christensen shall pay to Claimants total damages of \$1,168,524.23 consisting of the following: compensatory damages in the amount of \$750,356.00, pre-judgment interest of \$168,524.23; and, punitive damages, for violation of NASD Rule 2310, in the amount of \$249,644.00. Additionally, Respondents AGE and Christensen shall pay to Claimants interest on the total damages at the Florida legal rate from the date of the Award until the date of payment of the Award.

Claimants' request for attorneys' fees is granted, with the amount to be determined by a court of competent jurisdiction pursuant to Chapter 517 of the Florida Statutes.

Respondents AGE and Christensen are jointly and severally liable and shall pay to Claimants costs in the amount of \$34,289.49.

Any and all claims for relief not specifically addressed herein, are 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	= \$ 500.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent AGE is a member firm and a party.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

Accordingly, Respondent KDSC is a member firm and a party.

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

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

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 three-day cancellation fees were incurred in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00/session	= \$ 900.00
Pre-hearing conferences:	
January 9, 2006	1 session
September 13, 2006	1 session

Three (3) Pre-hearing sessions with the Panel @ \$1,200.00/session	= \$ 3,600.00
Pre-hearing conferences:	
May 23, 2005	1 session

	December 2, 2005	1 session	
	March 7, 2006	1 session	
Fourteen (14) Hearing sessions @ \$1,200.00/session			= \$16,800.0
Hearing Dates:	February 21, 2006	2 sessions	
	February 22, 2006	2 sessions	
	February 23, 2006	2 sessions	
	September 18, 2006	1 session	
	September 19, 2006	2 sessions	
	September 20, 2006	2 sessions	
	September 21, 2006	2 sessions	
	September 22, 2006	1 session	
<hr/> Total Forum Fees			= \$21,300.00

The Panel has assessed the total forum fees in the amount of \$21,300.00 to Respondents AGE and Christensen, jointly and severally.

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.

Claimants, jointly and severally, incurred administrative costs in the amount of \$15.00.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Administrative Costs	= \$ 15.00
Total Fees	= \$ 515.00
Less payments	= \$ 515.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent AGE is solely liable for:

Member Fees	= \$ 8,550.00
Total Fees	= \$ 8,550.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent KDSC is solely liable for:

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

Respondents AGE and Christensen are jointly and severally liable for:

Forum Fees	= \$21,300.00
Total Fees	= \$21,300.00

<u>Less payments</u>	= \$	<u>0.00</u>
Balance Due NASD Dispute Resolution	=	\$21,300.00

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

ARBITRATION PANEL

Paul Sidney Elliott, J.D., CFP	-	Public Arbitrator, Presiding Chairperson
Theodore H. Focht, Esq.	-	Public Arbitrator
Sandee G. Tanner	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Paul Sidney Elliott, J.D., CFP
Public Arbitrator, Presiding Chairperson

October 13, 2006
Signature Date

/s/
Theodore H. Focht, Esq
Public Arbitrator

October 13, 2006
Signature Date

/s/
Sandee G. Tanner
Non-Public Arbitrator

October 14, 2006
Signature Date

October 16, 2006
Date of Service (For NASD Dispute Resolution office use only)

Less payments

Balance Due NASD Dispute Resolution

- \$ 21,300.00
= \$21,300.00

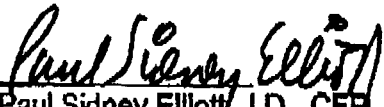
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Sandee G. Tanner	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Paul Sidney Elliott, J.D., CFP
Public Arbitrator, Presiding Chairperson

10/13/06
Signature Date

Theodore H. Focht, Esq
Public Arbitrator

Signature Date

Sandee G. Tanner
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

Less payments	= \$	0.00
Balance Due NASD Dispute Resolution	=	\$21,300.00

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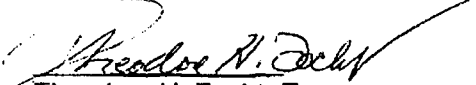
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Sandee G. Tanner	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Paul Sidney Elliott, J.D., CFP
Public Arbitrator, Presiding Chairperson

Signature Date


Theodore H. Focht, Esq
Public Arbitrator

October 13, 2006
Signature Date

Sandee G. Tanner
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

Less payments = \$ 0.00
Balance Due NASD Dispute Resolution = \$21,300.00

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

ARBITRATION PANEL

Paul Sidney Elliott, J.D., CFP - Public Arbitrator, Presiding Chairperson
Theodore H. Focht, Esq. - Public Arbitrator
Sandee G. Tanner - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Paul Sidney Elliott, J.D., CFP
Public Arbitrator, Presiding Chairperson

Signature Date

Theodore H. Focht, Esq
Public Arbitrator

Signature Date


Sandee G. Tanner
Non-Public Arbitrator

10/14/04
Signature Date

Date of Service (For NASD Dispute Resolution office use only)