

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of Claimants

Anthony T. and Jean Pelosi
Anthony T. Pelosi on behalf of his IRA
Jean Pelosi on behalf of her IRA

Case Number: 05-02622

Names of Respondents

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

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For Anthony T. and Jean Pelosi, Anthony T. Pelosi on behalf of his IRA, and Jean Pelosi on behalf of her IRA, hereinafter collectively referred to as "Claimants": Jessica L. (Lavelly) Clayton, Esq., Johnson, Browning & Clayton, P.A., Sarasota, Florida.

For A.G. Edwards & Sons, Inc., hereinafter referred to as "Respondent A.G. Edwards": Debra A. Jenks, Esq., Dobin & Jenks, LLP, Jupiter, Florida.

For Kashner Davidson Securities Corporation, hereinafter referred to as "Respondent Kashner": Richard J. Babnick, Jr., Esq., Sichenzia, Ross, Friedman & Ference, LLP, New York, New York.

Brian A. Christensen, hereinafter referred to as "Respondent Christensen," appeared *pro se*.

CASE INFORMATION

Statement of Claim filed on or about: May 17, 2005.

Claimants signed the Uniform Submission Agreement on: April 4, 2005.

Respondent A.G. Edwards signed the Uniform Submission Agreement on: August 23, 2005.

Statement of Answer filed by Respondent Kashner on or about: August 26, 2005.

Statement of Answer and Affirmative Defenses filed by Respondent A.G. Edwards on or about: September 9, 2005.

Respondent Kashner signed the Uniform Submission Agreement on: October 4, 2005.

Respondent Christensen signed the Uniform Submission Agreement on: December 2, 2005.

Respondent Christensen did not file a Statement of Answer.

Respondent A.G. Edwards' Motion to Dismiss Claimants' Statement of Claim filed on or about: April 3, 2006.

Respondent Kashner's Motion to Dismiss the Statement of Claim filed on or about:
April 3, 2006.

Claimants' Response to Respondent Kashner's Motion to Dismiss filed on or about:
April 19, 2006.

Claimants' Response to Respondent A.G. Edwards' Motion to Dismiss filed on or about:
April 21, 2006.

Claimants' Motion for Default Judgment filed on or about: August 17, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: 1) violations of Chapter 517, Florida Statutes (the "Florida Securities and Investors Protection Act"); 2) equitable rescission; 3) breach of fiduciary duty; 4) negligence; 5) breach of contract; 6) fraud; and, 7) negligent misrepresentation. The causes of action relate to Claimants' investment in various securities including, but not limited to, Blastgard and All School Kids, Inc.

Unless specifically admitted in their Answers, Respondents A.G. Edwards and Kashner denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested in the Statement of Claim against Respondents A.G. Edwards, Kashner and Christensen: 1) compensatory damages in the amount of \$259,987.00; 2) unspecified statutory damages; 3) attorneys' fees; 4) expectation losses; 5) costs; and, 6) such further relief as the undersigned arbitrators (the "Panel") deemed just and equitable.

Pursuant to their Motion for Default Judgment against Respondent Christensen, Claimants requested: 1) an award of \$205,660.88 in compensatory damages; and, 2) attorneys' fees in an amount to be determined by a court of competent jurisdiction, pursuant to Section 517.211(6) of the Florida Statutes.

Respondent A.G. Edwards requested that the Panel dismiss the Statement of Claim in its entirety.

Respondent Kashner requested that the Panel: 1) dismiss the Statement of Claim, with prejudice, in its entirety; and, 2) award such other and further relief as the Panel deemed just and appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent A.G. Edwards filed a Motion to Dismiss Claimants' Statement of Claim on the basis that all claims asserted by Claimants arose from private securities transactions that were unknown and unapproved by Respondent A.G. Edwards. Respondent Kashner filed a Motion to Dismiss Claimants' Statement of Claim on the basis that no legal viable claims exist against it as a matter of law. Claimants filed objections to both motions. On or about May 26, 2006, the Panel issued an Order which denied Respondents Kashner and A.G. Edwards' respective Motions to Dismiss.

On or about August 14, 2006, Claimants dismissed their claims against Respondents Kashner and A.G. Edwards, with prejudice.

Claimants filed a Motion for Default Judgment against Respondent Christensen in which Claimants asserted that Respondent Christensen had not filed an Answer to the Statement of Claim or responded to discovery requests. Claimants further asserted that after taking into consideration the monetary compensation received from Respondents A.G. Edwards and Kashner, pursuant to their respective settlements with Claimants, Claimants' remaining damages, including interest totaled \$194,659.85. Respondent Christensen did not file a response to this motion.

Respondent Christensen appeared at the pre-hearing conference conducted on October 25, 2006 in connection with Claimants' Motion for Default Judgment. After hearing arguments of the parties, the Panel issued an Order dated October 30, 2006 which granted Claimants' motion and stated that the Panel would conduct an in-person hearing on damages and Claimants' request for attorneys' fees.

Respondent Christensen did not appear at the hearing on damages conducted on January 3, 2007. Upon review of the file and the representations made by/on behalf of the Claimants, the Panel determined that Respondent Christensen has been properly served with the Statement of Claim and received due notice of the hearing, and that the hearing would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

During the hearing on damages conducted on January 3, 2007, Claimants moved to amend their claim to increase their claim for damages against Respondent Christensen from \$194,659.85 to \$205,660.88. The Panel granted Claimants' request.

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. Claimants are awarded compensatory damages in the amount of \$205,660.88 against Respondent Christensen for violation of the Florida Securities and Investor Protection Act, F.S. 517.301, breach of fiduciary duty, negligence, fraud and negligent misrepresentation, and breach of contract.
2. The Panel finds that as prevailing parties under Chapter 517 of the Florida Statutes, Claimants are entitled to attorneys' fees. As such, Respondent Christensen is liable for Claimants' attorneys' fees in the amount of \$35,092.83 and is awarded to the law firm of Johnson, Browning & Clayton, P.A., upon confirmation by a court of competent jurisdiction.

3. Respondent Christensen is liable for 50% of all arbitration fees paid or to be paid by Claimants to NASD Dispute Resolution, inclusive of \$150.00 which represents reimbursement of one-half of the non-refundable claim filing fee previously paid by Claimants to NASD Dispute Resolution.
4. 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	= \$ 300.00
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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 firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Respondents A.G. Edwards and Kashner are parties and member firms.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings 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:

There were no three-day cancellation fees assessed during these proceedings.

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.

There were no injunctive relief fees assessed during these proceedings.

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/session = \$ 450.00
Pre-hearing conference: March 24, 2006 1 session

Three (3) Pre-hearing sessions with Panel @ \$1,125.00/session = \$3,375.00
Pre-hearing conferences: November 29, 2005 1 session
May 25, 2006 1 session
October 25, 2006 1 session

One (1) Hearing session @ \$1,125.00/session = \$1,125.00
Hearing Date: January 3, 2007 1 session

Total Forum Fees = \$4,950.00

The Panel has assessed \$1,800.00 of the forum fees jointly and severally to Claimants.

The Panel has assessed \$675.00 of the forum fees to Respondent A. G. Edwards.

The Panel has assessed \$675.00 of the forum fees to Respondent Kashner.

The Panel has assessed \$1,800.00 of the forum fees to Respondent Christensen.

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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,800.00
Total Fees	= \$ 2,100.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 525.00

Respondent A.G. Edwards is solely liable for:

Member Fees	= \$5,200.00
Forum Fees	= \$ 675.00
Total Fees	= \$5,875.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 675.00

Respondent Kashner is solely liable for:

Member Fees	= \$5,200.00
Forum Fees	= \$ 675.00
Total Fees	= \$5,875.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 675.00

Respondent Christensen is solely liable for:

Forum Fees	= \$1,800.00
Total Fees	= \$1,800.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,800.00

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

ARBITRATION PANEL

<i>John M. Tapley</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Gordon R. Bowker</i>	-	<i>Public Arbitrator</i>
<i>Duncan H. Cameron, II</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/

01/09/2007

John M. Tapley
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

01/09/2007

Gordon R. Bowker
Public Arbitrator

Signature Date

/s/

01/09/2007

Duncan H. Cameron, II
Non-Public Arbitrator

Signature Date

January 10, 2007

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

Respondent A.G. Edwards is solely liable for:

Member Fees	= \$5,200.00
Forum Fees	= \$ 675.00
Total Fees	= \$5,875.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 675.00

Respondent Kashner is solely liable for:

Member Fees	= \$5,200.00
Forum Fees	= \$ 675.00
Total Fees	= \$5,875.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 675.00

Respondent Christensen is solely liable for:

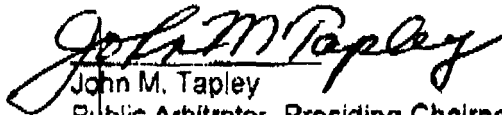
Forum Fees	= \$1,800.00
Total Fees	= \$1,800.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,800.00

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ARBITRATION PANEL

John M. Tapley	-	Public Arbitrator, Presiding Chairperson
Gordon R. Bowker	-	Public Arbitrator
Duncan H. Cameron, II	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


John M. Tapley
Public Arbitrator, Presiding Chairperson


Signature Date

Gordon R. Bowker
Public Arbitrator

Signature Date

Respondent A.G. Edwards is solely liable for:

Member Fees	= \$5,200.00
Forum Fees	= \$ 675.00
Total Fees	= \$5,875.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 675.00

Respondent Kashner is solely liable for:

Member Fees	= \$5,200.00
Forum Fees	= \$ 675.00
Total Fees	= \$5,875.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 675.00

Respondent Christensen is solely liable for:

Forum Fees	= \$1,800.00
Total Fees	= \$1,800.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,800.00

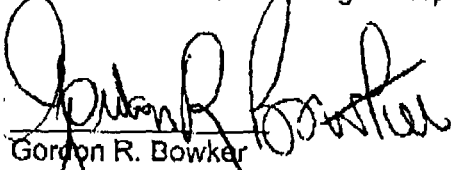
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ARBITRATION PANEL

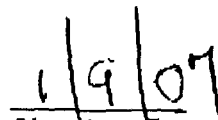
John M. Tapley	-	Public Arbitrator, Presiding Chairperson
Gordon R. Bowker	-	Public Arbitrator
Duncan H. Cameron, II	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

John M. Tapley
Public Arbitrator, Presiding Chairperson


Gordon R. Bowker
Public Arbitrator

Signature Date


Signature Date

Duncan H. Cameron II

Duncan H. Cameron, II
Non-Public Arbitrator

1/9/07

Signature Date

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