

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Richard Perez

and

Case Number: 05-03113
Hearing Site: Houston, Texas

Name of Respondent

A.G. Edwards & Sons, Inc.

NATURE OF DISPUTE

Customer v. Member Firm

REPRESENTATION OF PARTIES

Richard Perez ("**Claimant**") was represented by Samuel B. Edwards, Esq., Shepherd, Smith & Edwards, LLP, Houston, Texas.

A.G. Edwards & Sons, Inc. ("**Respondent**") was represented by James C. Browning, Jr., Esq., A.G. Edwards & Sons, Inc., St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about June 16, 2005. The Submission Agreement of Claimant, Richard Perez, was signed on or about June 7, 2005. On or about November 28, 2005, Claimant filed a Response to the Motion to Dismiss.

The Statement of Answer and Motion to Dismiss was filed by Respondent, A.G. Edwards & Sons, Inc., on or about August 9, 2005. The Submission Agreement of Respondent, A.G. Edwards & Sons, Inc., was signed on or about June 28, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, breach of fiduciary duty, violation of the Texas Securities Act, misrepresentations and failure to supervise. The causes of action related to the recommendation and purchase of various unspecified securities. Claimant alleged that Respondent selected investments that were overaggressive and unsuitable with a large percentage in growth mutual funds, which included a large number of technology and telecommunications companies. Claimant

alleged that Respondent failed to properly manage his account and made misrepresentations regarding the investments, which caused him considerable losses.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim failed to state a claim upon which relief can be granted; Claimant's claims are barred by the applicable statutes of limitations; the damages, if any, were caused by the acts or omissions of third parties over which Respondent had no control; Claimant's claims are barred by the doctrines of waiver, estoppel, ratification and laches; the negligence and/or fault of Claimant bars Claimant's claims, in whole or in part; Claimant failed to mitigate his damages; and Claimant failed to exercise due diligence in connection with making the investments complained of in the Statement of Claim.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$500,000.00
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent requested that the claims asserted against it be denied in their entirety and it they be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

On or about December 6, 2005, the Panel denied Respondent's Motion to Dismiss.

At the final hearing, Respondent orally made a Motion for Summary Judgment. The Panel denied this motion.

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 NASD Dispute Resolution ("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.) Claimant's claims, each and all, are hereby dismissed with prejudice;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 300.00

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. In this matter, the member firm is A.G. Edwards & Sons, Inc.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. A hearing 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) Decision on a discovery-related motion on the papers = \$ 200.00

with one (1) arbitrator @ \$200.00
Claimant submitted one (1) discovery-related motion

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: May 11, 2006 1 session

Two (2) Pre-hearing sessions with Panel x \$1,125.00 = \$ 2,250.00
Pre-hearing conferences: October 6, 2005 1 session
December 5, 2005 1 session

Seven (7) Hearing sessions x \$1,125.00 = \$ 7,875.00
Hearing Dates: June 20, 2006 2 sessions
June 21, 2006 3 sessions
June 22, 2006 2 sessions

Total Forum Fees = \$ 10,775.00

The Arbitration Panel has assessed \$5,387.50 of the forum fees to Richard Perez.

The Arbitration Panel has assessed \$5,387.50 of the forum fees to A.G. Edwards & Sons, Inc.

Fee Summary

Claimant, Richard Perez, is liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 5,387.50
Total Fees	= \$ 5,687.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 4,262.50

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

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 5,387.50
Total Fees	= \$ 10,587.50
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 5,387.50

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

ARBITRATION PANEL

Patricia R. Lykos, Esq. - Public Arbitrator, Presiding Chair
Russell Hairston - Public Arbitrator
Thomas H. Griffin - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Patricia R. Lykos, Esq.
Patricia R. Lykos, Esq.
Public Arbitrator, Presiding Chair

June 27, 2006
Signature Date

/s/ Russell Hairston
Russell Hairston
Public Arbitrator

June 26, 2006
Signature Date

/a/ Thomas H. Griffin
Thomas H. Griffin
Non-Public Arbitrator

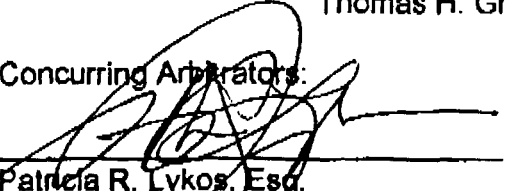
June 26, 2006
Signature Date

June 27, 2006
Date of Service (For NASD office use only)

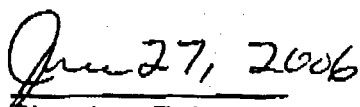
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Public Arbitrator, Presiding Chair



Signature Date

Russell Hairston
Public Arbitrator

Signature Date

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Non-Public Arbitrator

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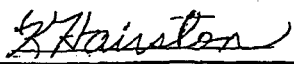
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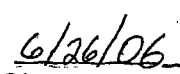
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Signature Date



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Public Arbitrator



Signature Date

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Non-Public Arbitrator

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Thomas H. Griffin - Non-Public Arbitrator

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Public Arbitrator, Presiding Chair

Signature Date

Russell Hairston
Public Arbitrator

Signature Date


Thomas H. Griffin
Non-Public Arbitrator

6-26-06
Signature Date

Date of Service (For NASD office use only)