

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

PUBLIC

Name of Claimant(s)

Linda J. Williams

91-03956

Name of Respondent(s)

A.G. Edwards & Sons, Inc.  
Dennis Warp  
William Smith

## REPRESENTATION

For Claimant Linda J. Williams: Dennis Workman, Esq., sole practitioner.

For Respondents A.G. Edwards & Sons, Inc., Dennis Warp and William Smith; Jeff Jamieson, Esq., in-house counsel of A.G. Edwards.

### CASE INFORMATION

Statement of Claim filed: December 12, 1991.

Claimants' Submission Agreement signed on: November 1, 1991.

Joint Statement of Answer filed by Respondents on: March 26, 1992.

Respondent A.G. Edwards & Sons, Inc.'s Submission Agreement signed on: March 25, 1992.

Respondent Dennis Warp's Submission Agreement signed on: March 24, 1992.

Respondent William Smith's Submission Agreement signed on: March 24, 1992.

## HEARING INFORMATION

**Hearing Dates/Sessions:****January 12, 1993 / Two Sessions**

**January 13, 1993 / Two Sessions**

Hearing Location: Ramada Inn, Pittsburgh, Pennsylvania.

### CASE SUMMARY

Claimant alleged that on or about December 1986 Claimant, recently widowed and never worked prior to her husband's death, was advised by Respondents Warp and Smith, agents of Respondent A.G. Edwards & Sons, Inc. to open an account at Respondent A.G. Edwards & Sons, Inc. and engage in extremely high risk and inappropriate options tradings on a margin account. Claimant further alleged that over the course of about one year Respondents made excessive trades and caused all of Claimants worldly assets to be lost. Claimant further alleged that because of this she suffered a mental breakdown, for which she makes no claim against Respondent, but which caused her to disassociate herself entirely from those agents and thus to lose substantially all records and memory of the details of the events.

Respondents maintained that Claimant opened an account with Respondent A.G. Edwards & Sons, Inc. and her investment objective was speculation, and she executed an Option Account Agreement. Respondents further maintained that Claimant was separately confirmed of each purchase and sale transaction undertaken by her and the majority of transactions in her account were unsolicited. Respondents further asserted the following defenses: failure to state a claim, contributory negligence, assumption of risk and statute of limitations.

### RELIEF REQUESTED

Claimant requested: \$100,000.00 in compensatory damages plus interest and costs.

Respondent requested: all claims be dismissed.

### 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) All claims by Claimant against Respondents be and hereby are dismissed in their entirety.
- 2) Each party shall bear their own costs.
- 3) Respondents A.G. Edwards & Sons, Inc., Warp and Smith, be and hereby

are liable, jointly and severally, and shall pay Claimant the sum of \$650.00 to represent forum fees.

#### FORUM FEES

Pursuant to Section 41c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

4 sessions x \$500.00 = \$2,000.00 less \$500.00 hearing session  
deposit = \$1,500.00 net due.

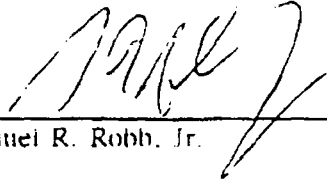
Respondents, A.G. Edwards & Sons, Inc., Warp and Smith be and hereby are liable, jointly and severally, and shall pay the NASD the sum of \$1,500.00 to represent forum fees.

Fees are payable to the National Association of Securities Dealers, Inc.

#### ARBITRATION PANEL

\_\_\_\_\_  
A. Ralph Ellis, Esq., Chairperson

Public Arbitrator

  
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Samuel R. Robb, Jr.

Industry Arbitrator

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Leo A. Hannah, CPA

Public Arbitrator

Date of Decision: March 19, 1993

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Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

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#### ARBITRATION PANEL



A. Ralph Ellis, Esq./Chairperson

Public Arbitrator

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Samuel R. Robb, Jr.

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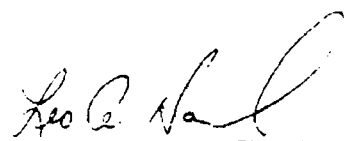
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