

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Vilsen Salinas

and

92-00710

Name of Respondents

A.G. Edwards & Sons, Inc.,
William Lane and Jimmy R. Williams

REPRESENTATION OF PARTIES

Claimant was represented by Charles L. Thoeming, Esq. Dallas, Texas.

Respondents were represented by Stephen Sneeringer, Esq. and Rose M. Schindler, Esq. of A.G. Edwards & Sons, Inc., St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about February 26, 1992. Claimant's Submission Agreement was signed on February 14, 1992.

Statement of Answer and Counterclaim filed by Respondents A.G. Edwards & Sons, Inc. William Lane and Jimmy R. Williams on or about April 14, 1992. Respondent A.G. Edwards & Sons, Inc.'s Submission Agreement was signed on April 2, 1992 by Stephen G. Sneeringer. Respondent William Lane's Submission Agreement was signed on April 9, 1992. Respondent Jimmy R. Williams' Submission Agreement was signed on March 30, 1992.

HEARING INFORMATION

A pre-hearing conference was held on Monday, September 14, 1992 lasting one (1) session. Marc A. Myrin, Esq. presided at the pre-hearing conference.

The hearing was held on Thursday, September 24, 1992 for two (2) sessions, Friday, September 25, 1992 for two (2) sessions, Tuesday, November 10, 1992 for two (2), and Wednesday, November 11, 1992 for one (1) session in Dallas, Texas for a total of seven (7) sessions.

CASE SUMMARY

Claimant alleged that Respondents A.G. Edwards & Sons, Inc., William Lane and Jimmy Williams (collectively as "Respondents") were negligent in their handling of his account, engaged in fraudulent activity in his account, breached their fiduciary duty to claimant, violated the Texas Deceptive Trade Practices Act, violated the Texas Securities Act and Section 10(b) of the Securities Exchange Act of 1934. Claimant specifically alleged that the Respondents churned his account, that the transactions in options were unsuitable for him in light of his investment background, experience, financial capacity, and stated investment goals and objectives.

Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted a Counterclaim for their attorney's fees and costs. Respondents specifically stated that the claimant has been engaged in stock and option trading through numerous brokerage firms prior to and subsequent to the opening of his account with A.G. Edwards & Sons, Inc. Respondents also stated that the Claimant had previously received training to become an associated person with a member firm of the National Association of Securities Dealers, Inc. Respondents further stated that a number of the transactions complained of in the Statement of Claim were unsolicited.

RELIEF REQUESTED

Claimant requested an award of unspecified compensatory damages, exemplary damages in the amount of \$1,000,000.00, reasonable and necessary attorney's fees, or in the alternative an award of rescission, damages under the Texas Deceptive Trade Practices Act, costs and pre-award and post-award interest.

Respondents requested that the claims asserted against them be dismissed in their entirety and that they be awarded their costs, expenses and attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

Respondents did not accept the composition of the panel. They agreed to proceed with the hearing subject to their objection, reserving any rights they may have.

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.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted against Respondents A.G. Edwards & Sons, Inc., William Lane and Jimmy R. Williams shall be and hereby are dismissed and denied in their entirety.
2. Claimant Vilsen Salinas shall be and hereby is liable for and shall pay to the Respondent A.G. Edwards & Sons, Inc. the sum of \$54,846.87 (fifty four thousand eight hundred forty six dollars and eighty seven cents) as costs, expenses and fees as set forth in the Amended Affidavit of Stephen Sneeringer.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$250.00 and shall retain the hearing session deposit in the amount of \$1,000.00 previously deposited with the NASD by the Claimant and Claimant shall pay to the NASD the sum of \$6,300.00 as forum fees.

Forum fees are calculated at the rate of \$1,000.00 per hearing session and \$300.00 for each prehearing conference, if any.

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

Dated:

12/4/92

Marc A. Myrin
Marc A. Myrin, Esq.
Presiding Chair
Public Arbitrator

George C. Witte
George C. Witte
Public Arbitrator

Valynda A. Ewton
Valynda A. Ewton
Industry Arbitrator

NASD served: 12-11-92

AWARD

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12/4/92

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Public Arbitrator

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