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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

George Lavan

93-01500

Name of Respondents

A.G. Edwards & Sons, Inc.
Robert W. Pleska

REPRESENTATION

For Claimant George Lavan ("Claimant"): Bruce W. Boyarko, Attorney at Law,
Cleveland, Ohio

For Respondents A.G. Edwards, Inc. ("Edwards") and Robert W. Pleska
("Pleska"): William S. Port, Litigation Counsel with A.G. Edwards, Inc., St. Louis,
Missouri

CASE INFORMATION

Statement of Claim filed: April 12, 1993

Claimant's Submission Agreement signed on: April 2, 1993

Joint Statement of Answer filed by Edwards and Pleska (hereinafter collectively
referred to as "Respondents") on: August 16, 1993

Edward's Submission Agreement signed on: August 10, 1993

Pleska's Submission Agreement signed on: July 30, 1993

HEARING INFORMATION

Hearing Dates/Sessions: August 16, 1994 - two sessions
August 17, 1994 - two sessions

Hearing Location: NASD District Office, Cleveland, Ohio

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CASE SUMMARY

Claimant alleged, among other things, that Pleska made unauthorized trades in his account. Claimant alleged that Respondents breached their fiduciary duty that they owed Claimant. Claimant alleged that Pleska made investments that were unsuitable as they did not meet Claimant's stated investment objective, financial sophistication and financial situation. Claimant alleged that Pleska misrepresented the financial status of his account and wrongfully represented to Claimant that the capital in Claimant's account was being preserved when in fact it was not. Claimant alleged that Pleska made representations that Pleska knew were false. Claimant alleged that Pleska made false representations with the intent that Claimant would rely on the false representations to his detriment. Claimant alleged that Pleska engaged in excessive trading activity that was for Respondents benefit rather than the Claimant's.

Respondents denied each and every allegation of wrongdoing asserted by the claimant and specifically maintained that Claimant's account was properly handled at all times. Respondents maintained that in 1990 Claimant came into a sizable inheritance of which a small portion was being invested with Respondents. Claimant maintained that Claimant changed his investment objective to speculation and growth. Respondents maintained that Claimant became interested in trading index and equity options and that Claimant had read several books in this area. Respondents maintained that Claimant was also provided with a number of brochures and publications from Edwards discussing options and option trading strategies. Respondents maintained that Pleska informed Claimant of the risks related to trading options as well as the risks related to trading on margin. Respondents maintained that it was Claimant's desire to increase the trading activity in his account. Respondents maintained that initially Claimant's trading was profitable and later became unprofitable, nonetheless, Claimant expressed his desire to continue the aggressive trading strategy. Respondents maintained that Claimant failed to complain about the alleged acts and omissions alleged by Claimant. Respondents maintained that Claimant failed to mitigate his damages. Respondents maintained that Claimant failed to exercise the degree of care over his investments that an ordinary prudent investor would exercise. Respondents maintained that the damages suffered by Claimant were his fault. Respondents maintained that Claimant's claim is barred by the applicable statutes of limitation.

RELIEF REQUESTED

Claimant requested damages in the amount of \$59,747 for lost value in his account, \$25,000 in compensatory damages for mental anguish, and \$50,000 in

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punitive damages against Respondents jointly and severally.

Respondents requested that Claimant's claim be dismissed in its entirety and that Respondents be awarded all costs and expenses incurred in defense of this matter, including reasonable attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

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 originals remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Edwards and Pleska are jointly and severally liable to the Claimant and shall pay to Claimant the sum of \$15,000; plus interests at the rate of 10% simple interest per annum from March 1, 1992 until the date the award is paid.
2. That Claimant's request for compensatory and punitive damages is denied in its entirety.
3. That the parties shall bear their own costs and attorney's fees, except as specifically addressed herein.

FORUM FEES

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

4 sessions X \$750 = \$3,000

Forum Fees Assessed Against: the Claimant 50% and Respondents Edwards and Pleska 50%. Claimant is assessed forum fees in the amount of \$1,500; however, Claimant is entitled to offset this amount with his hearing session deposit of \$750 previously deposited so that the amount due from Claimant is \$750. Respondents Edwards and Pleska are jointly and severally assessed forum fees in the amount

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of \$1,500.

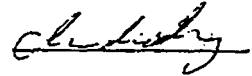
Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator's Signature

Name

Public/Industry


Robert G. Conway



Date of Decision: Sept 13, 1994

NASD Date of Decision: September 27, 1994

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of \$1,500.

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

Concurring Arbitrator's Signature
Name

Dennis E. Minni
Dennis E. Minni, Esq.

Public/Industry

Chavira / Public

Date of Decision: Sept. 14, 1994

NASD Date of Decision: September 27, 1994

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of \$1,500.

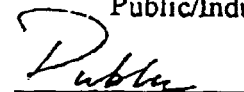
Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator's Signature

Name


Howard M. Groedel, Esq.

Public/Industry


Public

Date of Decision: 1-23-94

NASD Date of Decision: September 27, 1994