

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the matter of the Arbitration Between

**Name of Claimants**

Fred and Virginia Sue Horn

NASD Arbitration  
No. 95-1153

**Name of Respondents**

A. G. Edwards & Sons, Inc., and Kevin Caprio

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**REPRESENTATION**

For Claimant: Fred Horn, in pro per

For Respondent: Jeff Jamieson, Esq., A.G. Edwards & Sons, Inc.,  
St. Louis, Missouri

**CASE INFORMATION**

Statement of Claim filed: March 6, 1995

Claimant's Submission Agreement signed: March 1, 1995

Joint Statement of Answer filed by Respondents: April 24, 1995

Respondent A.G. Edwards & Sons, Inc.'s Submission Agreement signed: April 20, 1995

Respondent Kevin Caprio's Submission Agreement signed: April 10, 1995

**HEARING INFORMATION**

Pre-Hearing Conference Date / Session: October 5, 1995 (1 session)

Hearing Date/ Sessions: October 10, 1995 (2 sessions)

Hearing Location: Los Angeles, California

### CASE SUMMARY

Claimants alleged that Respondents breached their fiduciary duty to Claimants, violated the basic rules of investment advice, including suitability and diversification, and failed to fully inform Claimants of the excessive risks involved in the transactions at issue.

Respondents denied all of the allegations of the Claimants.

### RELIEF REQUESTED

Claimants sought recovery of \$19,183.12, plus costs and attorney's fees incurred.

Respondents requested that judgement be entered on behalf of Respondents and against Claimants; that all costs of arbitration, including forum fees, reasonable costs and expenses be taxed against Claimants; and for such further relief as the Arbitration Panel deems appropriate.

### OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 remains on file with the 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. Respondent A. G. Edwards & Sons, Inc. is liable for and shall pay Claimants the sum of Two Thousand Dollars (\$2,000.00).
2. All claims against Respondent Kevin Caprio are dismissed.
3. The parties shall each bear their respective costs, including attorney's fees.

### FORUM FEES

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

Respondent A.G. Edwards & Sons, Inc. shall pay all forum fees, which are assessed as follows:

One (1) pre-hearing conference @ \$300.00/session	=	\$ 300.00
<u>Two (2) hearing sessions @ \$400.00/session</u>	=	<u>\$ 800.00</u>
Total forum fees	=	\$1,100.00

Respondent A.G. Edwards & Sons, Inc.'s Balance Due = \$1,100.00

Claimants hearing session deposit of \$400.00 will be refunded by the NASD.

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

**ARBITRATORS**

<u>Name</u>	<u>Public / Industry</u>
Bernard Segelin, Esq.	Public Arbitrator
David Menaker	Public Arbitrator
Jeffrey E. Skogsbergh	Industry Arbitrator

**Concurring Arbitrators' Signatures**

Bernard Segelin  
Bernard Segelin, Esq.

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David Menaker

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Jeffrey E. Skogsbergh

Date of Decision: 10/13/95

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*David Menaker*  
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Jeffrey E. Skogsbergh

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Jeffrey E. Skogsbergh	Industry Arbitrator

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