

NASD AWARD

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Doris Scott Huggins

96-01568

Name of Respondent

A.G. Edwards & Sons, Inc.

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**REPRESENTATION**

Claimant Doris Scott Huggins ("Claimant") was represented by Brian A. Carlis, Esq. and John E. MacDonald, Esq., Stark & Stark, Philadelphia, PA.

Respondent A.G. Edwards & Sons, Inc. ("Respondent") was represented by Phyllis A. Hartrich, Esq., A.G. Edwards & Sons, Inc., St. Louis, MO.

**CASE INFORMATION**

Claimant's Statement of Claim was filed April 11, 1996.

Claimant's Uniform Submission Agreement was signed April 8, 1996.

Respondent's Statement of Answer was filed September 12, 1996.

Respondent's Uniform Submission Agreement was signed September 12, 1996.

**HEARING INFORMATION**

Prehearing Dates/Sessions: July 23, 1997/one session  
November 19, 1997/one session

Hearing Dates/Sessions: March 3, 1998/two sessions  
March 4, 1998/two sessions  
March 5, 1998/two sessions

Hearing Location: Vincent Varallo Associates, Inc.  
Philadelphia, PA

Hearing Dates/Sessions: May 20, 1998/one session

Hearing Location: NASD Regulation District Office  
Philadelphia, PA

### CASE SUMMARY

Claimant alleged that she was wrongfully terminated by Respondent and further that Respondent wilfully forwarded a "Letter of Caution" issued by the National Association of Securities Dealers, Inc. to the NASD Central Registration Depository ("CRD"). Claimant contended that the "Letter of Caution" is not reportable to CRD. Claimant further contended that the wrongful termination, coupled with the reported "Letter of Caution" constituted tortious interference by Respondent with her ability to maintain and cultivate her business relationship with a major institutional client. Claimant seeks compensatory and other damages with flow from Respondent's misconduct.

Respondent denied the allegations asserted in the Statement of Claim. Respondent maintained that pursuant to applicable contractual provisions and relevant state law, Claimant was an at-will employee who could be terminated at any time. Further, Respondent denied that any defamatory statements were made and contended that all statements made were truthful, accurate and made with no malice. Respondent asserted that documents signed by Claimant at the time of employment at Respondent's Princeton, New Jersey branch, clearly informed Claimant that if any information provided by her was false or incomplete, it would be grounds for termination. Respondent asserted that when it was determined that Claimant had misrepresented the numerous outstanding judgments and liens against her when she applied for employment, she was terminated. Respondent further asserted that in conformance with its regulatory obligations, Respondent filed the Uniform Termination Notice (Form U-5) and subsequently filed a revised U-5 providing Claimant's explanation that the omission of the information had been an oversight.

In addition, Respondent maintained that the institutional account at issue had never been one for which Claimant had served as a broker, and in fact, the account had been with Respondent for a number of years prior to Claimant's employment. Claimant's termination was in no way related to the institutional account at issue. Respondent also raised the affirmative defense of a failure to state a claim upon which relief can be granted.

### RELIEF REQUESTED

Claimant requested damages of \$250,000.00 plus pre-award interest, punitive damages, attorney's fees and the costs of this arbitration.

Respondent requested that the Statement of Claim be dismissed in its entirety and that Respondent be awarded its expenses, including attorney's fees and that all costs be assessed against Claimant.

### 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 arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. That Claimant's claims are dismissed in their entirety; and
2. That Claimant's claim for punitive damages is denied; and
3. That each party shall bear its own costs and expenses with the exception of Forum Fees as specified below; and
4. That any and all relief not specifically addressed herein is denied.

**OTHER COSTS**

Pursuant to Rule 10333 of the NASD Regulation Code of Arbitration Procedure ("Code"), Respondent is assessed a member surcharge of \$350.00 which has been paid.

**FORUM FEES**

Pursuant to Rule 10205(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed:

1 prehearing session (single arbitrator) x \$300.00 =	\$ 300.00
1 prehearing session (full panel) x \$750.00 =	\$ 750.00
7 Hearing sessions x \$750.00 =	<u>\$5,250.00</u>
<b>Total Forum Fees</b>	<b>\$6,300.00</b>

Forum Fees are assessed at \$3,150.00 to Claimant and \$3,150.00 to Respondent.

Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.

DATE

6/5/98

CONCURRING ARBITRATORS' SIGNATURES

Diane Ciccone  
Diane Ciccone, Chairperson  
Public Arbitrator

\_\_\_\_\_  
John W. Lear  
Public Arbitrator

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Ronald C. Zimmerman  
Industry Arbitrator

Date Decision Served by NASD Regulation:

June 19, 1998

**AWARD**

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4. That any and all relief not specifically addressed herein is denied.

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**CONCURRING ARBITRATORS' SIGNATURES**

JUNE 6, 1998

\_\_\_\_\_  
Diane Ciccone, Chairperson  
Public Arbitrator

John W. Lear  
John W. Lear  
Public Arbitrator

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Ronald C. Zimmerman  
Industry Arbitrator

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Public Arbitrator

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John W. Lear  
Public Arbitrator

6/6/98

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*Ronald C. Zimmerman*  
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Industry Arbitrator

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