

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

Arthur Robert Frederick Trust

Dated April 1, 1991

Arthur Frederick, Trustee

v.

Arbitration No.

96-02128

Name of Respondents

A.G. Edwards & Sons, Inc.

Paul Spitzer

Brian Crane

REPRESENTATION

For Claimant: Ronald Marron, Esq., San Diego, California

For Respondents A.G. Edwards & Sons, Inc., and Paul Spitzer: William S. Port, Esq., A.G.
Edwards & Sons, Inc., St. Louis, Missouri

For Respondent Brian Crane: No appearance

CASE INFORMATION

Statement of Claim filed May 11, 1996

Amended Claim filed August 11, 1997

Claimant's Submission Agreement signed April 2, 1997

Joint Answer filed by A.G. Edwards & Sons, Inc., and Paul Spitzer on July 9, 1996; Joint
Answer to Amended Claim filed August 25, 1997

Respondents' Submission Agreements signed as follows:

A.G. Edwards & Sons:	July 8, 1996
Paul Spitzer:	July 3, 1996

Respondent Brian Crane did not file a Statement of Answer or an executed Submission Agreement.

HEARING INFORMATION

A pre-hearing telephone conference lasting 1 session was held on July 29, 1997.

The evidentiary hearing was held in San Diego, California, as follows:

September 23, 1997	-	2 sessions
September 24, 1997	-	2 sessions

CASE SUMMARY

Claimant alleged lack of suitability, breach of fiduciary duty, breach of the implied covenant of good faith and fair dealing, professional malpractice, negligent and intentional misrepresentation, churning, and fraud with respect to investments recommended by Respondents. Claimant alleged his account was unsuitably concentrated in a single high-risk stock (the common stock of Kenetech Holdings) that was unsuitable in light of Claimant's financial circumstances.

Respondents A.G. Edwards and Paul Spitzer denied the allegations of the claims, and asserted that Claimant has admitted that the Kenetech stock was not recommended by Respondents, and further that Claimant is a class member in a class action lawsuit against Kenetech and others alleging that misrepresentations made by the company and others induced Claimant to purchase the Kenetech stock.

RELIEF REQUESTED

Claimant requested damages of \$611,000, pursuant to the amended statement of claim

Respondents A.G. Edwards & Sons and Paul Spitzer jointly dismissal of all claims

OTHER ISSUES

On July 29, 1997, the undersigned arbitrators convened a telephone conference to hear Respondents' motion to dismiss. The panel determined to accept the parties' agreement to dismiss claims for fraud, misrepresentation, and suitability, but denied the motion to dismiss claims for breach of fiduciary duty, breach of the implied covenant of good faith and fair dealing and professional malpractice.

The parties agreed to receive conformed copies of the award while the originals remain on file with NASDR, Inc.

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 remaining claims are dismissed in their entirety.
2. The parties shall each bear their respective costs, including attorneys' fees.

FORUM FEES

Pursuant to Section 10332 of the Code of Arbitration Procedure, the NASDR shall retain Claimant's \$250 non-refundable filing fee. Forum fees are to be assessed as follows:

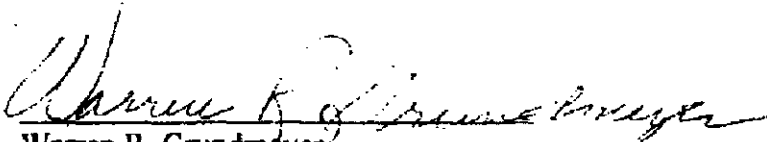
Total fees:

1 pre-hearing telephone conference @ \$300/session	\$300
4 hearing sessions @ \$1000/session	<u>\$4000</u>
	<u>\$4300</u>
Claimant's one-half share	\$2150
Credit for deposit	<u>\$1000</u>
	Balance due <u>\$1150</u>
Respondents' joint and several one-half share	<u>\$2150</u>

Fees are payable to NASDR, Inc.

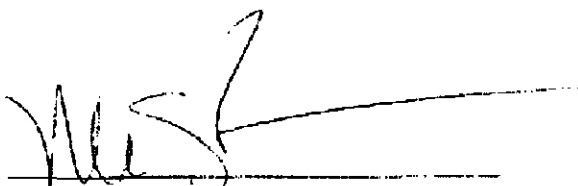
Michael Steven Carona

James H. Bowersox



Warren R. Grundmeyer

Date Served: November 5, 1997



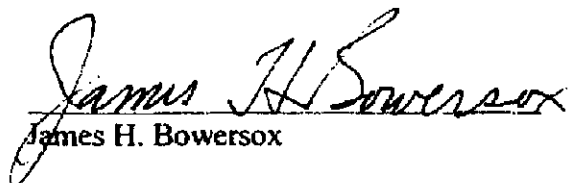
Michael Steven Carona

James H. Bowersox

Warren R. Grundmeyer

Date Served: November 5, 1997

Michael Steven Carona


James H. Bowersox

Warren R. Grundmeyer

Date Served: November 5, 1997